5.5 REIGATE AND BANSTEAD

7,537 new homes (+13%)

10,076 new people (+7%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Capacity issues on London to Brighton Rail and North Downs Line routes.***
- ***Congestion in the borough is experienced in Redhill, Horley, Reigate and the links and junctions along the A217. A key issue in the borough is that of the resilience and reliability of the road network due to the congestion experienced.***
- ***Reigate and Redhill are among the five highest risk areas for surface water flooding in England.***
- ***Reception year and total primary school places limited across authority***
- ***Surplus secondary school places will not continue with required new facilities and expansion to existing***
- ***Shortfall in outdoor sports and children's playspace***
- ***M25 junction 8 and the A23 Hooley Interchange experience congestion particularly during peak periods***

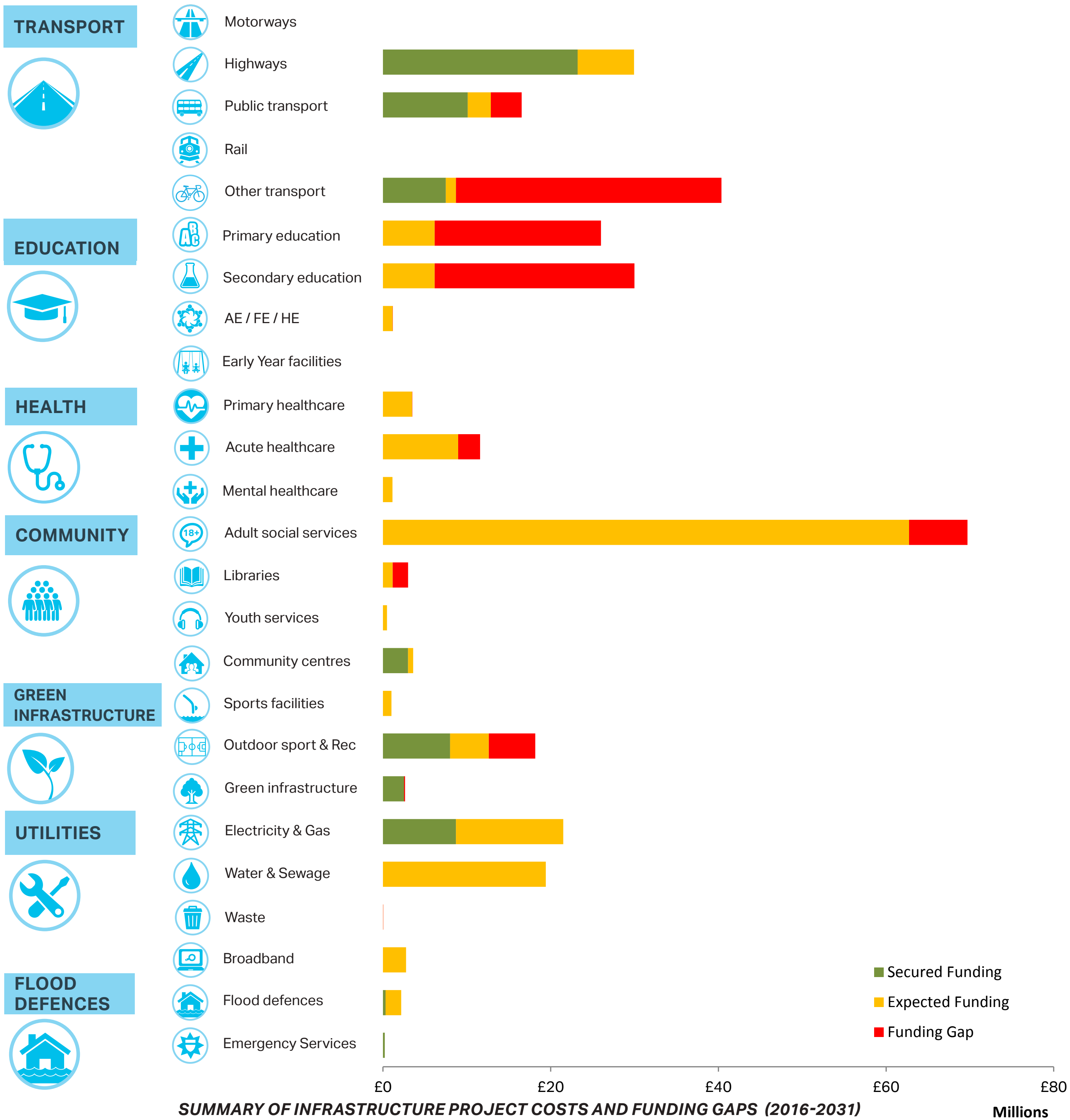
Total Infrastructure Costs: £304,850,000

Total Secured Funding: £63,540,000

Total Expected Funding: £145,120,000

Total Funding Gap: £96,180,000

Funding as % of Costs: 68%

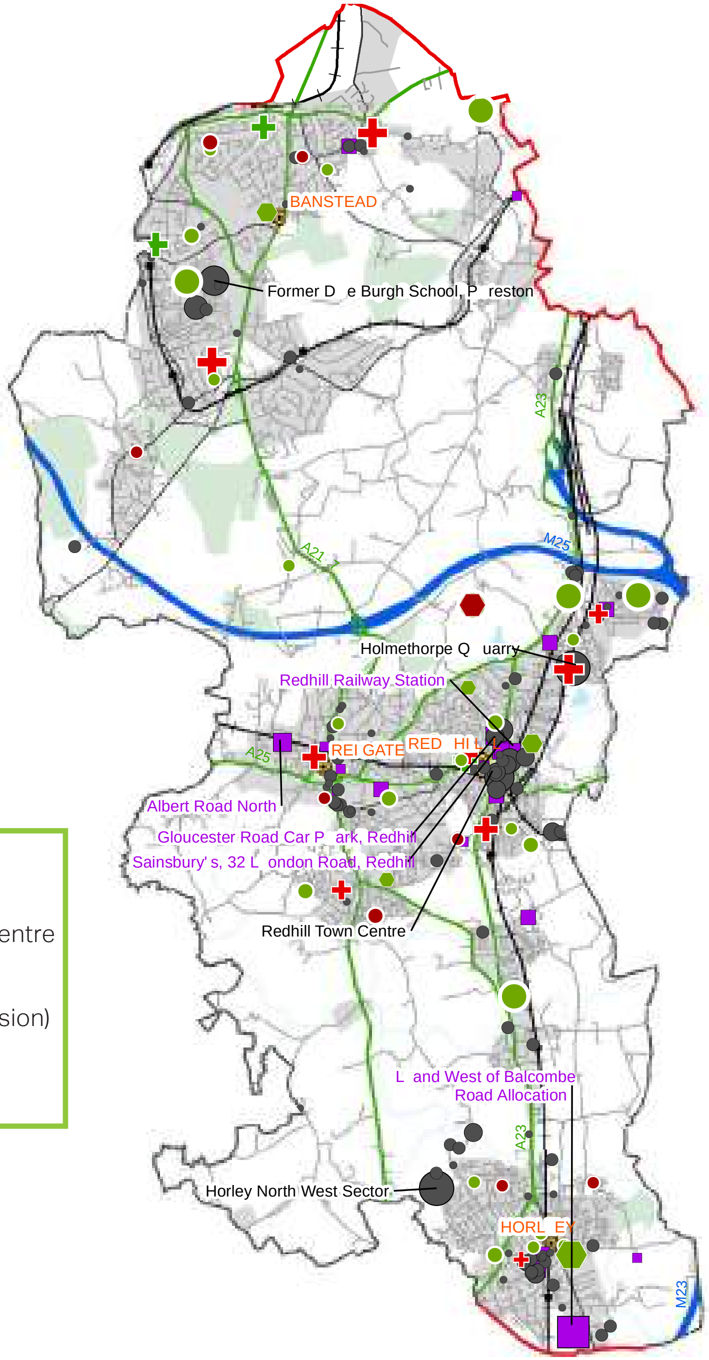


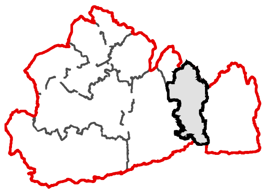
SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

MAJOR HOUSING DEVELOPMENT
- Horley North West Sector
- Holmethorpe Quarry
- Former De Burgh School, Preston
- Redhill Town Centre

EDUCATION PROJECTS
- New early years education provision in Horley
- New 2FE primary school in Horley North West to meet demand from housing growth
- 6 FE new secondary school in Reigate/Redhill area and expanded secondary schools in Redhill and Horley

COMMUNITY INFRASTRUCTURE PROJECTS
- Mertsham Regeneration (Community Hub)
- Banstead Leisure Centre rebuild and Community Centre improvements
- Preston Regeneration (leisure centre and community provision)
- New Horley library and refurbishment of Redhill library





TRANSPORT PROJECTS
- New access routes and junction improvements associated with Horley North West Sector
- Improvements needed at A23/M23 Hooley interchange to alleviate congestion and improve connections to Gatwick
- Package of works to the A217 corridor
- Improvements needed at M25 Junction 8 / Reigate Hill to alleviate congestion
- Greater Redhill Sustainable Transport Package 2

KEY EMPLOYMENT SITES WITH CAPACITY
- Redhill Railway Station
- Sainsbury's, 32 London Road, Redhill
- Albert Road North
- Gloucester Road Car Park, Redhill
- Land West of Balcombe Road Allocation

SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN REIGATE & BANSTEAD

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.6 RUNNYMEDE

5,834
new homes
(+17%)

10,688
new people
(+12%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Local growth expected to put additional increases on the Strategic Road Network through Runnymede.***
- ***Local Road Network expected to experience increased peak time congestion***
- ***Existing rail and bus service efficiencies likely to be impacted on by Runnymede growth proposals***
- ***Existing primary healthcare facility capacity issues in Egham, Ottershaw and Addlestone***
- ***Significant Flood risk infrastructure investment required across authority.***

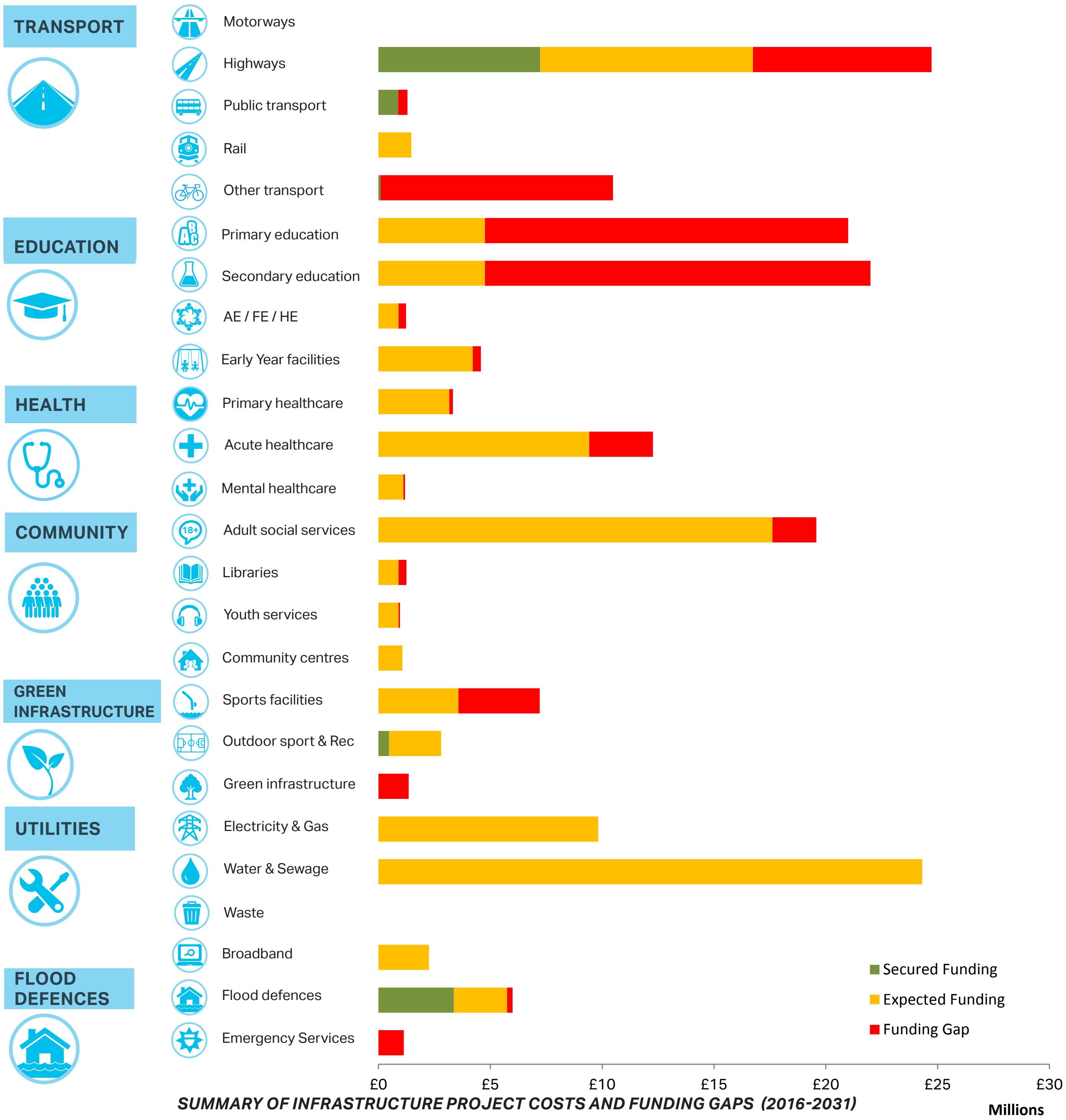
Total Infrastructure Costs: £181,300,000

Total Secured Funding: £12,050,000

Total Expected Funding: £104,460,000

Total Funding Gap: £64,790,000

Funding as % of Costs: 64%



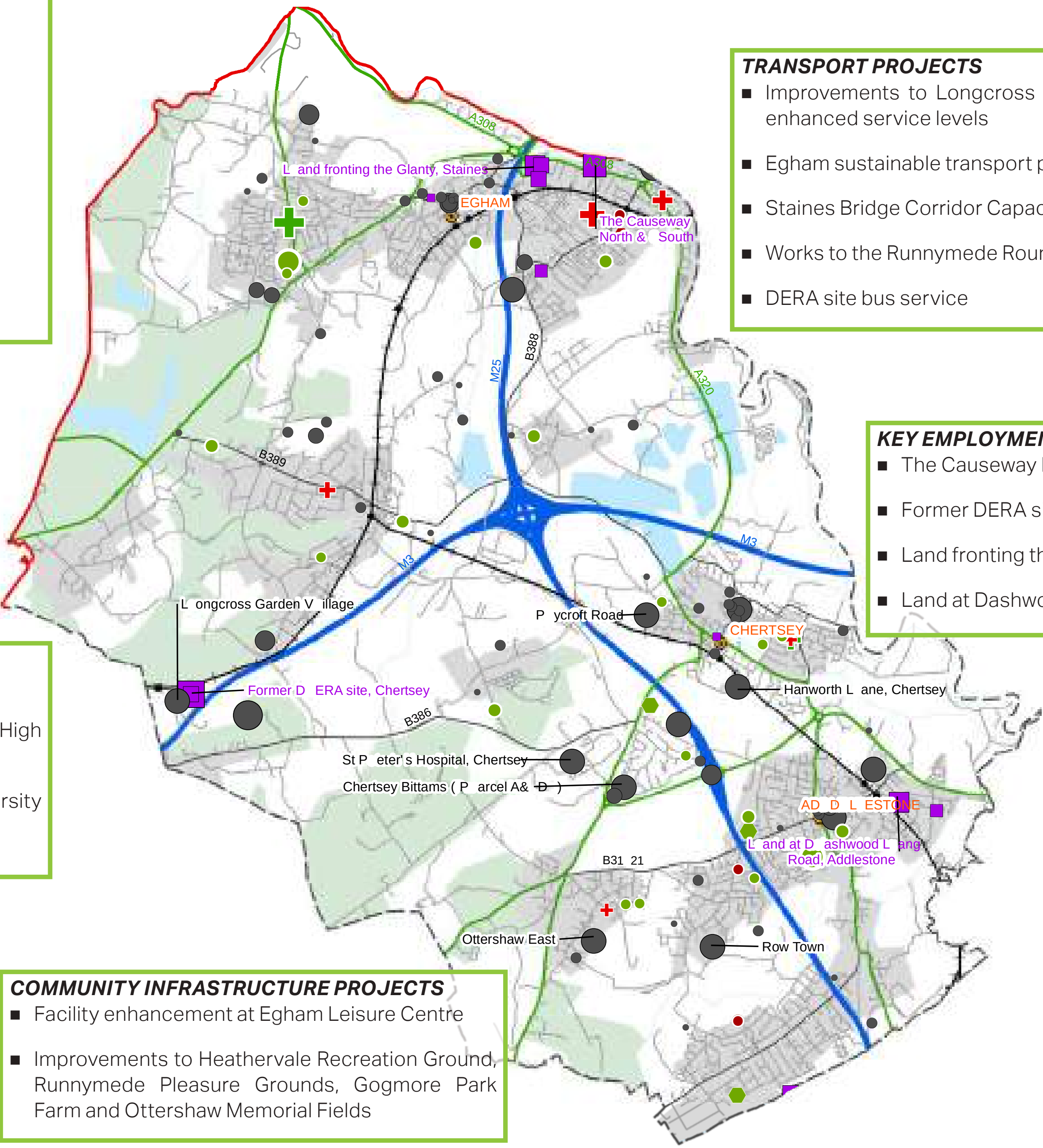
SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

MAJOR HOUSING DEVELOPMENT
- Longcross Garden Village
- St Peter's Hospital, Chertsey
- Chertsey Bittams (Parcel A & D)
- Hanworth Lane, Chertsey
- Pycroft Road
- Ottershaw East
- Row Town

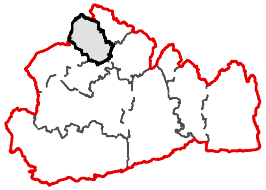
TRANSPORT PROJECTS
- Improvements to Longcross Rail Station and enhanced service levels
- Egham sustainable transport package
- Staines Bridge Corridor Capacity Project
- Works to the Runnymede Roundabout
- DERA site bus service

FLOOD DEFENCES
- River Thames Scheme

KEY EMPLOYMENT SITES WITH CAPACITY
- The Causeway North & South
- Former DERA site, Chertsey
- Land fronting the Glanty, Staines
- Land at Dashwood Lang Road, Addlestone



EDUCATION PROJECTS
- Expansion at Salesian School
- New secondary free school, Chertsey High School
- Expansion at the Royal Holloway University Campus, Egham



COMMUNITY INFRASTRUCTURE PROJECTS
- Facility enhancement at Egham Leisure Centre
- Improvements to Heathervale Recreation Ground, Runnymede Pleasure Grounds, Gogmore Park Farm and Ottershaw Memorial Fields

SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN RUNNYMEDE

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.7 SPELTHORNE

3,916 new homes (+9%)

3,796 new people (+4%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Heathrow Airport is located immediately to the north of the Borough with significant influence on the area and a current proposal for future expansion with a third runway***
- ***Local growth expected to put additional increases on the Strategic Road Network through Spelthorne.***
- ***Proximity to the River Thames means significant area is at risk from flooding, with Staines and Shepperton being the worst affected areas.***
- ***Capacity pressures on existing early year facilities, primary schools and secondary schools.***
- ***Capacity pressures on existing primary healthcare facilities.***

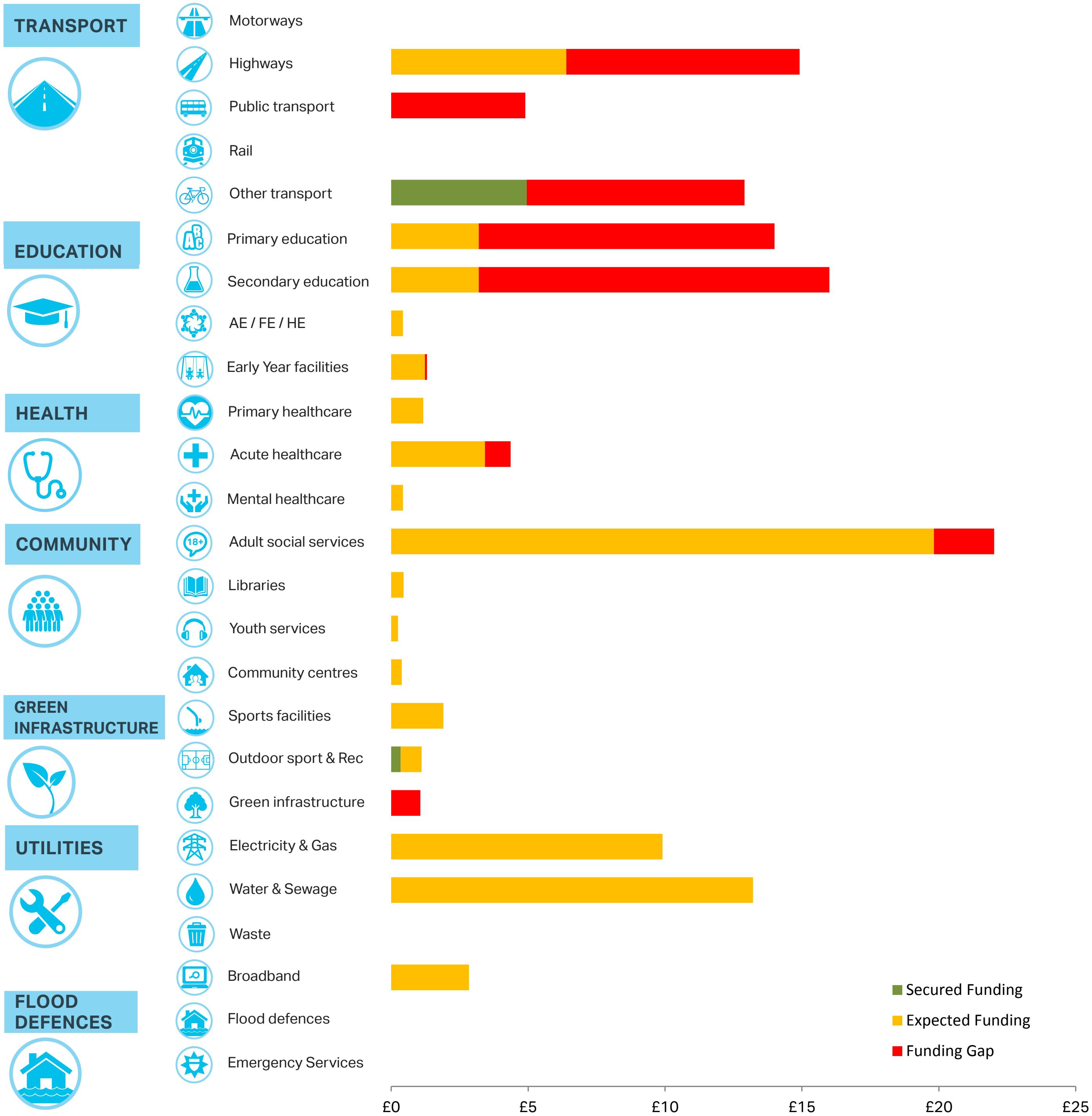
Total Infrastructure Costs: £123,530,000

Total Secured Funding: £5,300,000

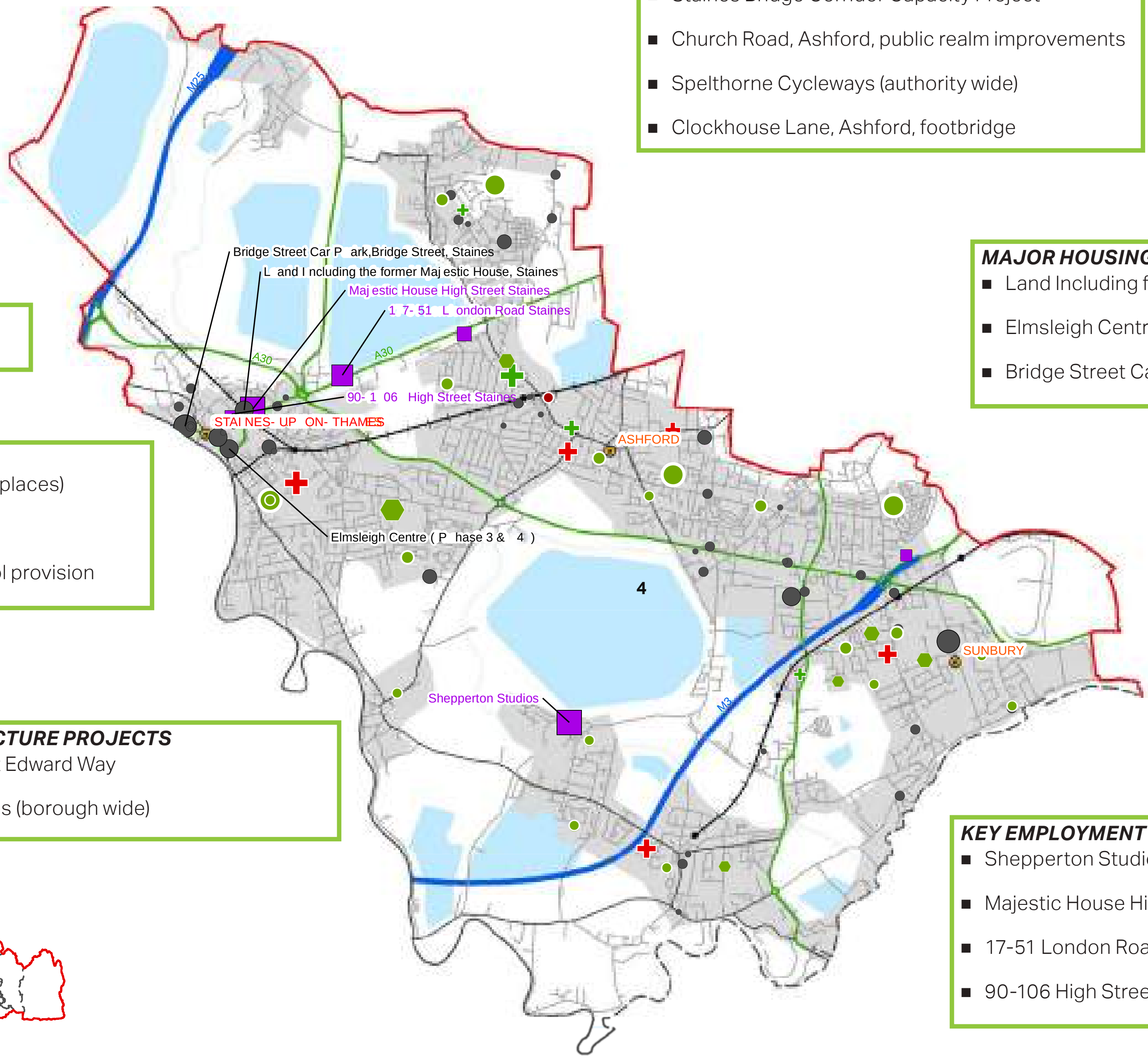
Total Expected Funding: £68,980,000

Total Funding Gap: £49,250,000

Funding as % of Costs: 60%



SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)



TRANSPORT PROJECTS
- Staines Bridge Corridor Capacity Project
- Church Road, Ashford, public realm improvements
- Spelthorne Cycleways (authority wide)
- Clockhouse Lane, Ashford, footbridge

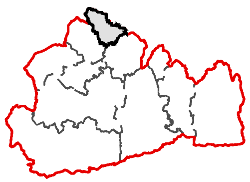
FLOOD DEFENCES
- River Thames Scheme

MAJOR HOUSING DEVELOPMENT
- Land Including former Majestic House, Staines
- Elmsleigh Centre (Phase 3 & 4)
- Bridge Street Car Park,Bridge Street, Staines

EDUCATION PROJECTS
- New early years provision (130 places)
- Primary expansion
- Expansion of secondary school provision

COMMUNITY INFRASTRUCTURE PROJECTS
- New public open space at Edward Way
- Artifical turf sports pitches (borough wide)

KEY EMPLOYMENT SITES WITH CAPACITY
- Shepperton Studios
- Majestic House High Street Staines
- 17-51 London Road Staines
- 90-106 High Street Staines



SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN SPELTHORNE

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.8 SURREY HEATH

4,216 new homes (+12%)

6,876 new people (+8%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Possible capacity issues at the M3 junction 3 approaches (both north and south) with investment required to alleviate pressure.***
- ***Area around Deepcut barracks will see increased traffic flows with requirement for highway improvements.***
- ***Capacity issues within existing primary healthcare facilities across the authority.***
- ***Deficit in existing library provision across the authority***
- ***Notable increase in indoor sport facilities (particularly swimming pools) required to meet standards.***

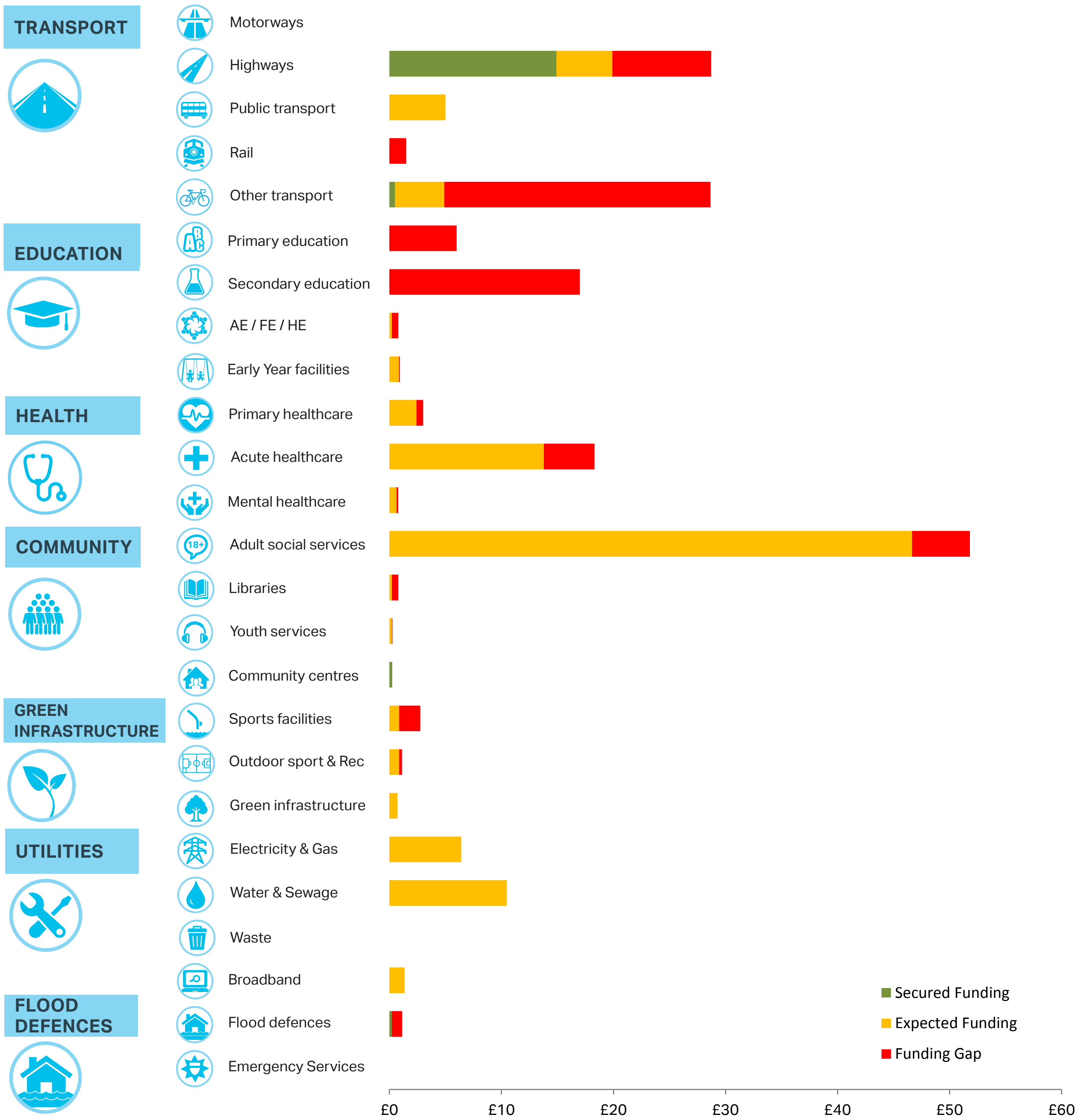
Total Infrastructure Costs: £187,800,000

Total Secured Funding: £15,860,000

Total Expected Funding: £100,050,000

Total Funding Gap: £71,890,000

Funding as % of Costs: 62%



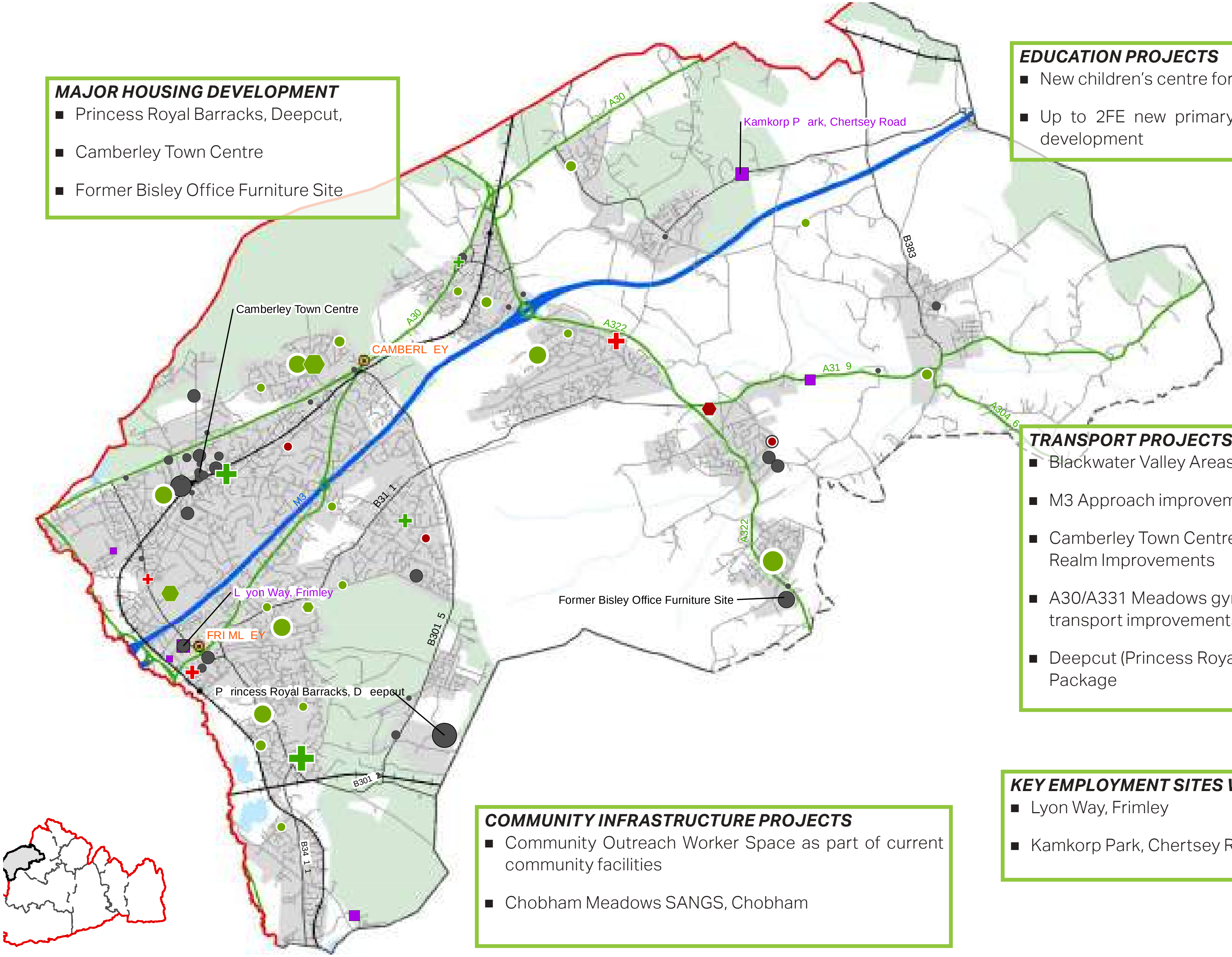
SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

MAJOR HOUSING DEVELOPMENT

- Princess Royal Barracks, Deepcut,
- Camberley Town Centre
- Former Bisley Office Furniture Site

EDUCATION PROJECTS

- New children's centre for early years
- Up to 2FE new primary school for Deepcut development



TRANSPORT PROJECTS

- Blackwater Valley Areas Bus Partnership
- M3 Approach improvements
- Camberley Town Centre Highway and Public Realm Improvements
- A30/A331 Meadows gyratory and Frimley transport improvements
- Deepcut (Princess Royal Barracks) Highways Package

KEY EMPLOYMENT SITES WITH CAPACITY

- Lyon Way, Frimley
- Kamkorp Park, Chertsey Road

COMMUNITY INFRASTRUCTURE PROJECTS

- Community Outreach Worker Space as part of current community facilities
- Chobham Meadows SANGS, Chobham

SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN SURREY HEATH

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.9 TANDRIDGE

7,050
new homes
(+20%)

12,267
new people (refer to section 3.1)
(+14%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Relatively low levels of periodic traffic problems on Local Road Network (morning and evening during school term time).***
- ***Oxted health centre identified need for a satellite facility to relieve pressure on existing services.***
- ***First Community Health and Care run a range of community services in the authority (inc. Caterham Dene Hospital).***
- ***A number of indoor sport facilities required in urban areas of Caterham, Oxted and Whyteleafe to meet the demands of population.***
- ***Increase need for elderly care accommodation***
- ***The proposed new garden village will have significant infrastructure implications. These will need to be assessed once the location has been decided.***

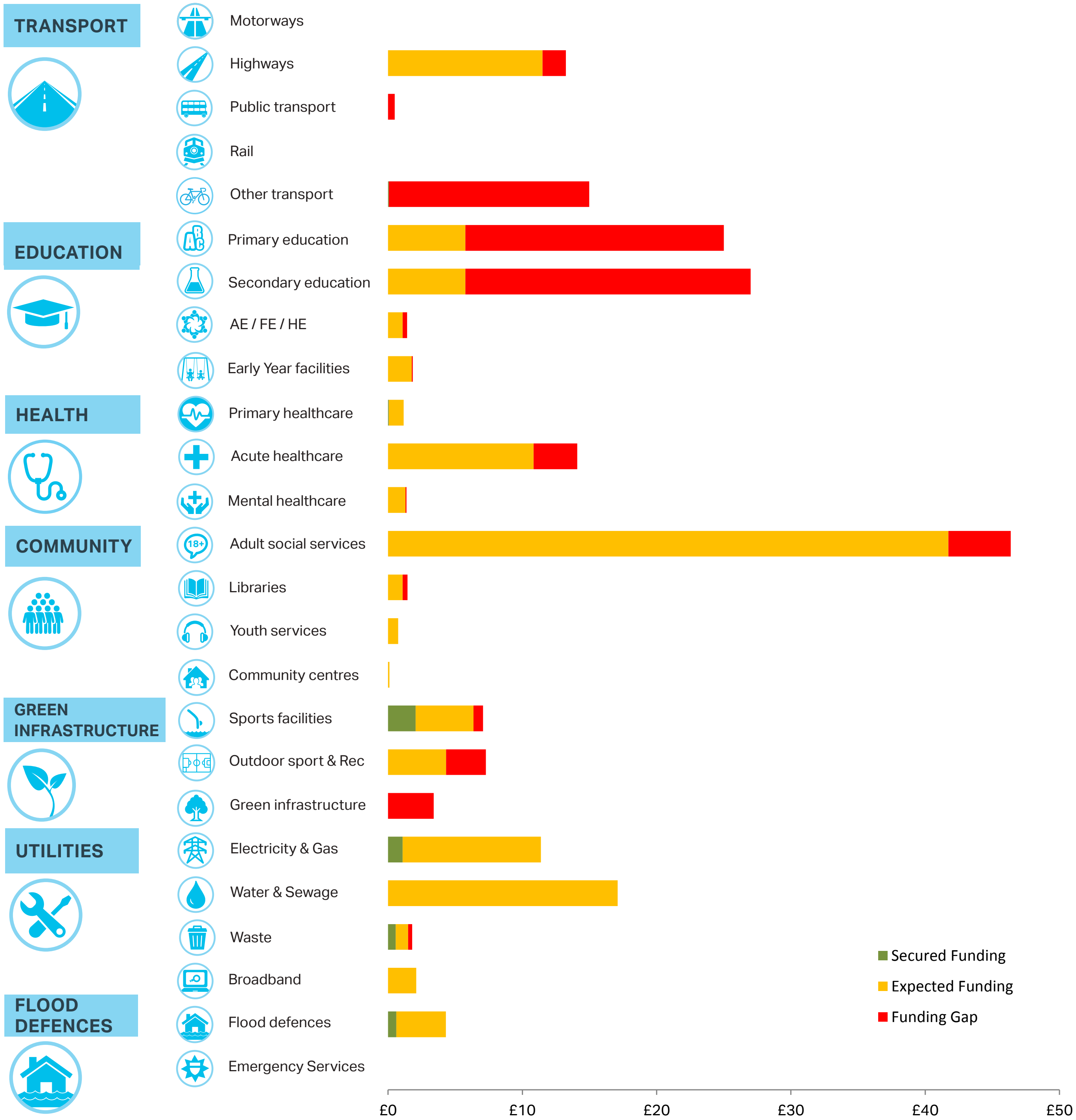
Total Infrastructure Costs: £203,680,000

Total Secured Funding: £4,420,000

Total Expected Funding: £125,470,000

Total Funding Gap: £73,790,000

Funding as % of Costs: 64%



SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

MAJOR HOUSING DEVELOPMENT

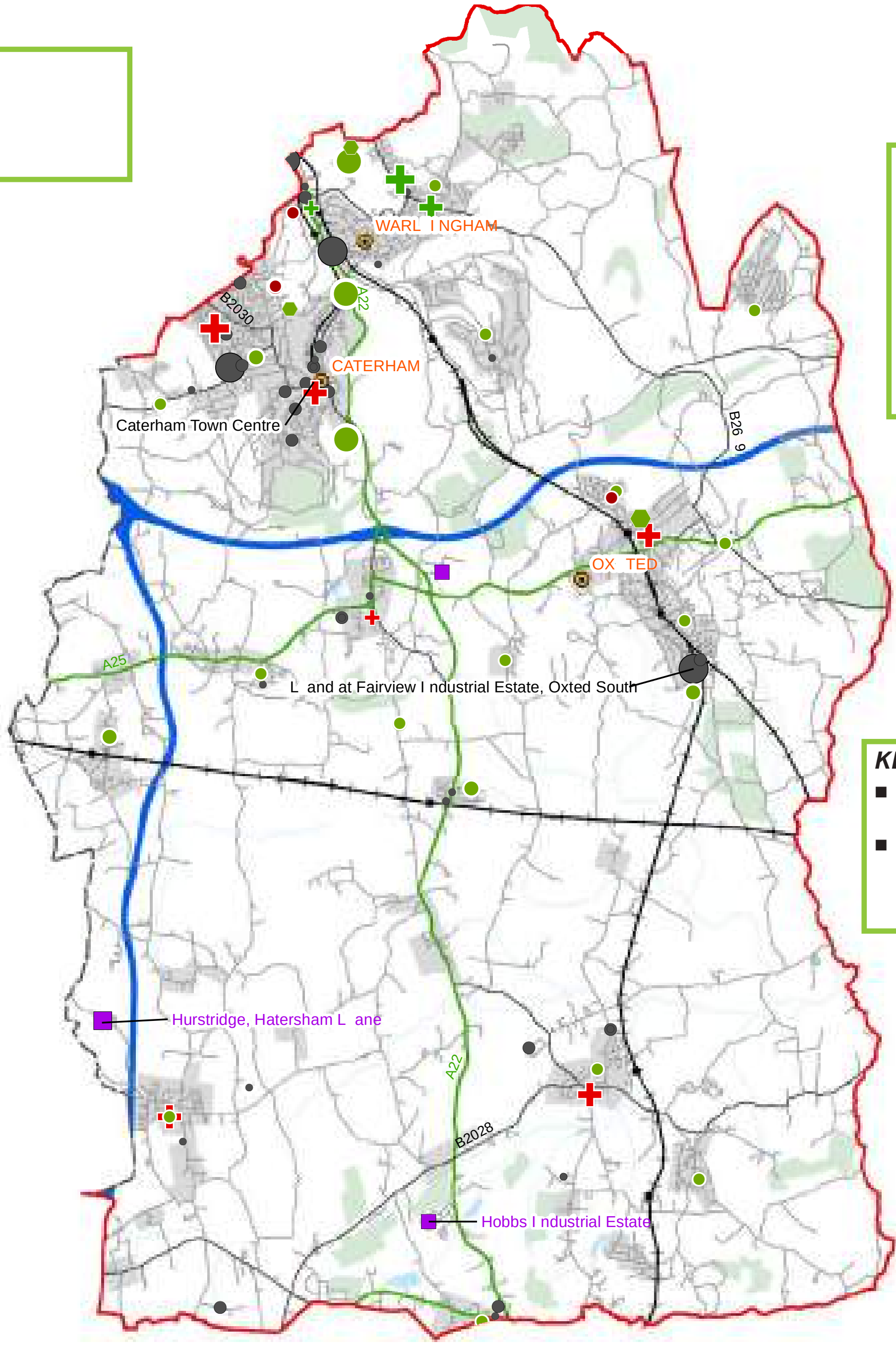
- Fairview Industrial Estate
- Caterham Town Centre

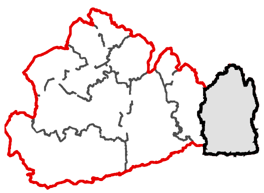
EDUCATION PROJECTS

- 0.5FE expansion in Oxted area

COMMUNITY INFRASTRUCTURE PROJECTS

- Caterham on the Hill Flood Alleviation Scheme
- Multi-use sports hall and consultation rooms in Oxted





TRANSPORT PROJECTS

- A22 Wapses Lodge Roundabout
- New cycleways at: A264, A22 (South of Godstone) and Crawley Down Road
- Improvements to bus network across District
- Reinstatement of the Lewes-Uckfield Line

KEY EMPLOYMENT SITES WITH CAPACITY

- Hobbs Industrial Estate
- Hurstridge, Hathersham Lane, Smallfield

SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN TANDRIDGE

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.10 WAVERLEY

8,932
new homes
(+17%)

15,974
new people
(+13%)

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***A325 and A31 corridors in and around Farnham Town Centre sensitive to additional traffic from major sites.***
- ***Majority of communities have indicated a requirement for improved bus services***
- ***A large number of potential cycle schemes have been identified for the authority.***
- ***A need for increased capacity at existing waste management sites to support growth***

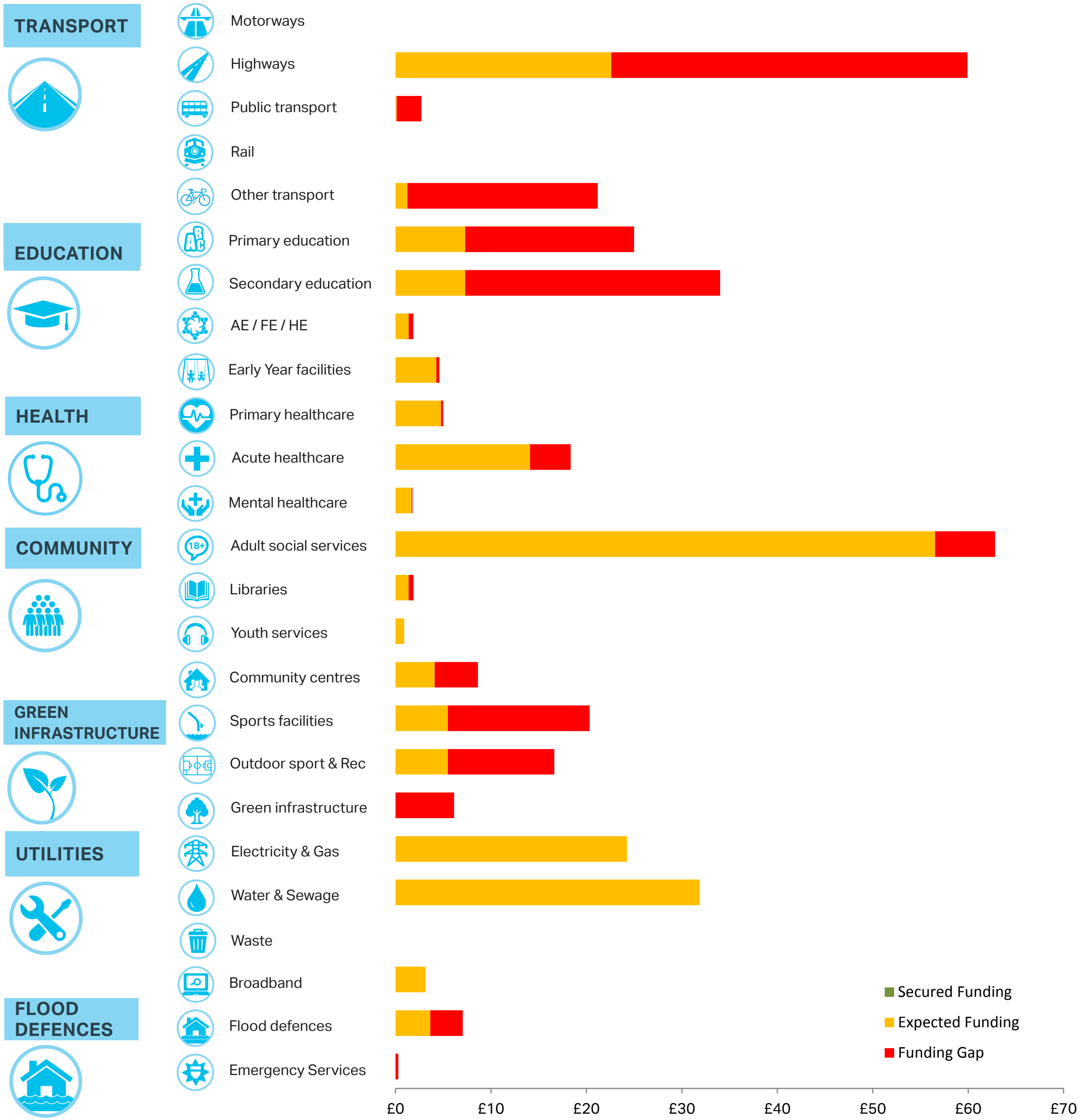
Total Infrastructure Costs: £358,230,000

Total Secured Funding: £0

Total Expected Funding: £201,450,000

Total Funding Gap: £156,780,000

Funding as % of Costs: 56%

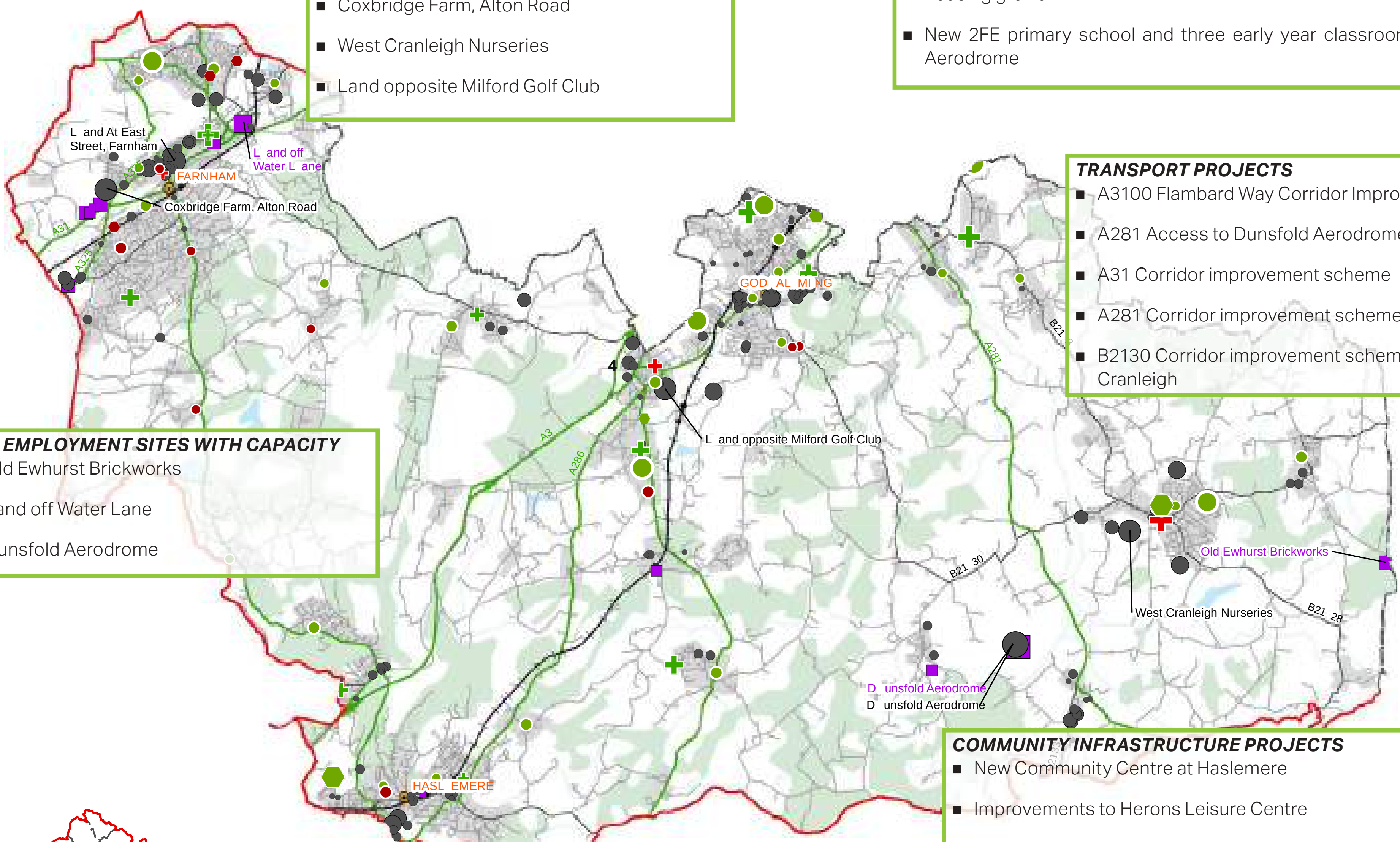


SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

MAJOR HOUSING DEVELOPMENT
- Land At East Street, Farnham
- Dunsfold Aerodrome
- Coxbridge Farm, Alton Road
- West Cranleigh Nurseries
- Land opposite Milford Golf Club

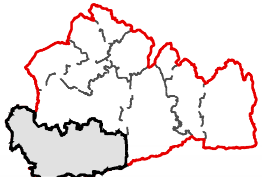
EDUCATION PROJECTS
- Relocate and enlarge Crainleigh Primary School
- Potential expansion at Glebelands secondary school, dependent on housing growth
- New 2FE primary school and three early year classrooms - Dunsfold Aerodrome

TRANSPORT PROJECTS
- A3100 Flambard Way Corridor Improvements
- A281 Access to Dunsfold Aerodrome
- A31 Corridor improvement scheme
- A281 Corridor improvement scheme
- B2130 Corridor improvement scheme to serve Cranleigh



KEY EMPLOYMENT SITES WITH CAPACITY
- Old Ewhurst Brickworks
- Land off Water Lane
- Dunsfold Aerodrome

COMMUNITY INFRASTRUCTURE PROJECTS
- New Community Centre at Haslemere
- Improvements to Herons Leisure Centre
- New MUGA provision at Snoxalls Field
- Extension of play area at Crown Pits



SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN WAVERLEY

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.11 WOKING

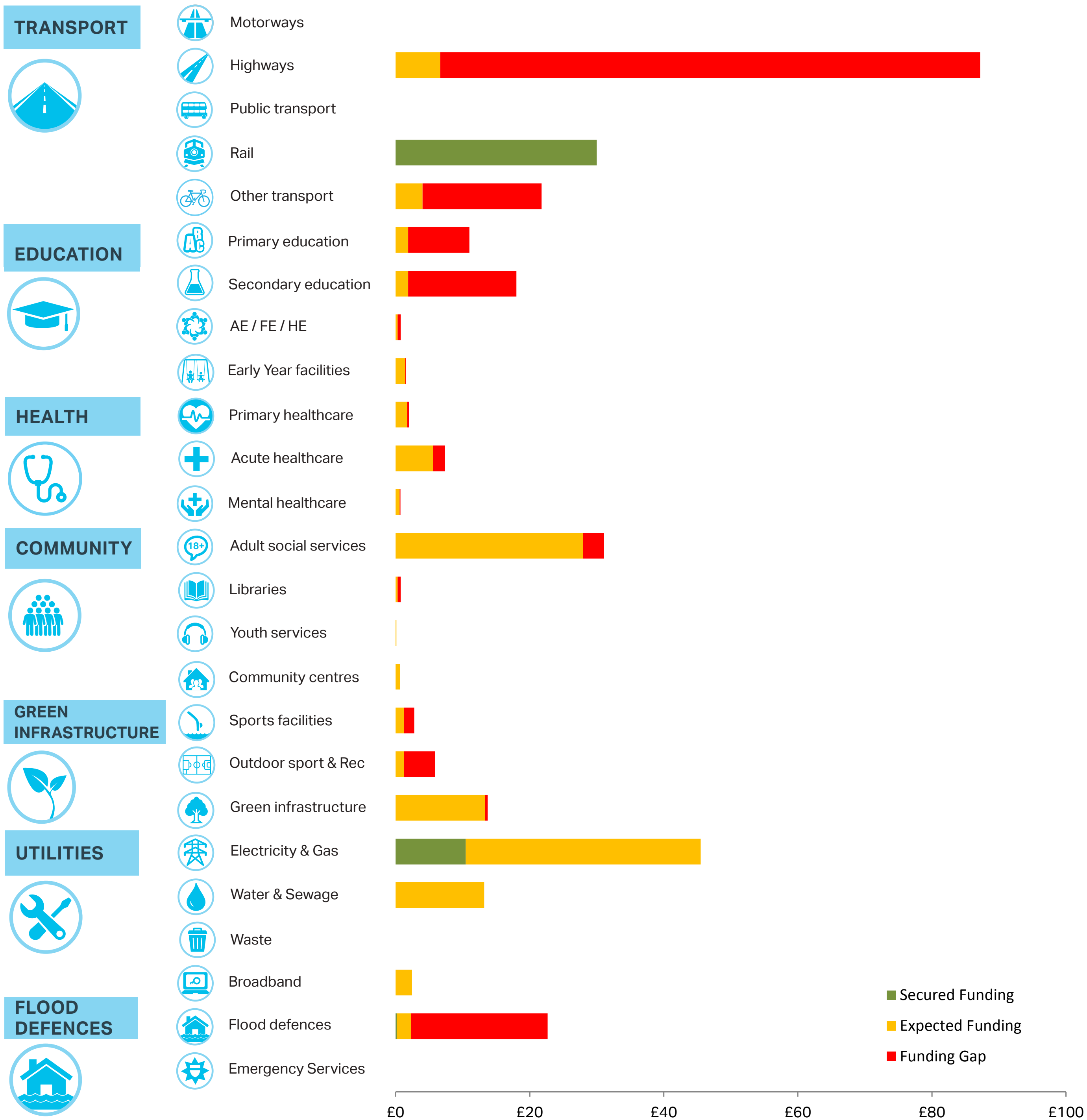
4,436 new homes **(+11%)**

6,389 new people **(+6%)**

to 2031

INFRASTRUCTURE HIGHLIGHTS

- ***Mainline from Woking at capacity during peak times limiting development capacity***
- ***A number of areas suffer from lower public accessibility to GPs, town centres and secondary schools when compared to the rest of the urban area.***
- ***Notable pressures on secondary school places at present and during plan period.***
- ***Investment in college buildings required to bring up to standard and maintain usability.***
- ***Notable flood Risk from River Wey and surface water sources with lack of formal flood defences in authority.***



SUMMARY OF INFRASTRUCTURE PROJECT COSTS AND FUNDING GAPS (2016-2031)

Total Infrastructure Costs: £319,030,000

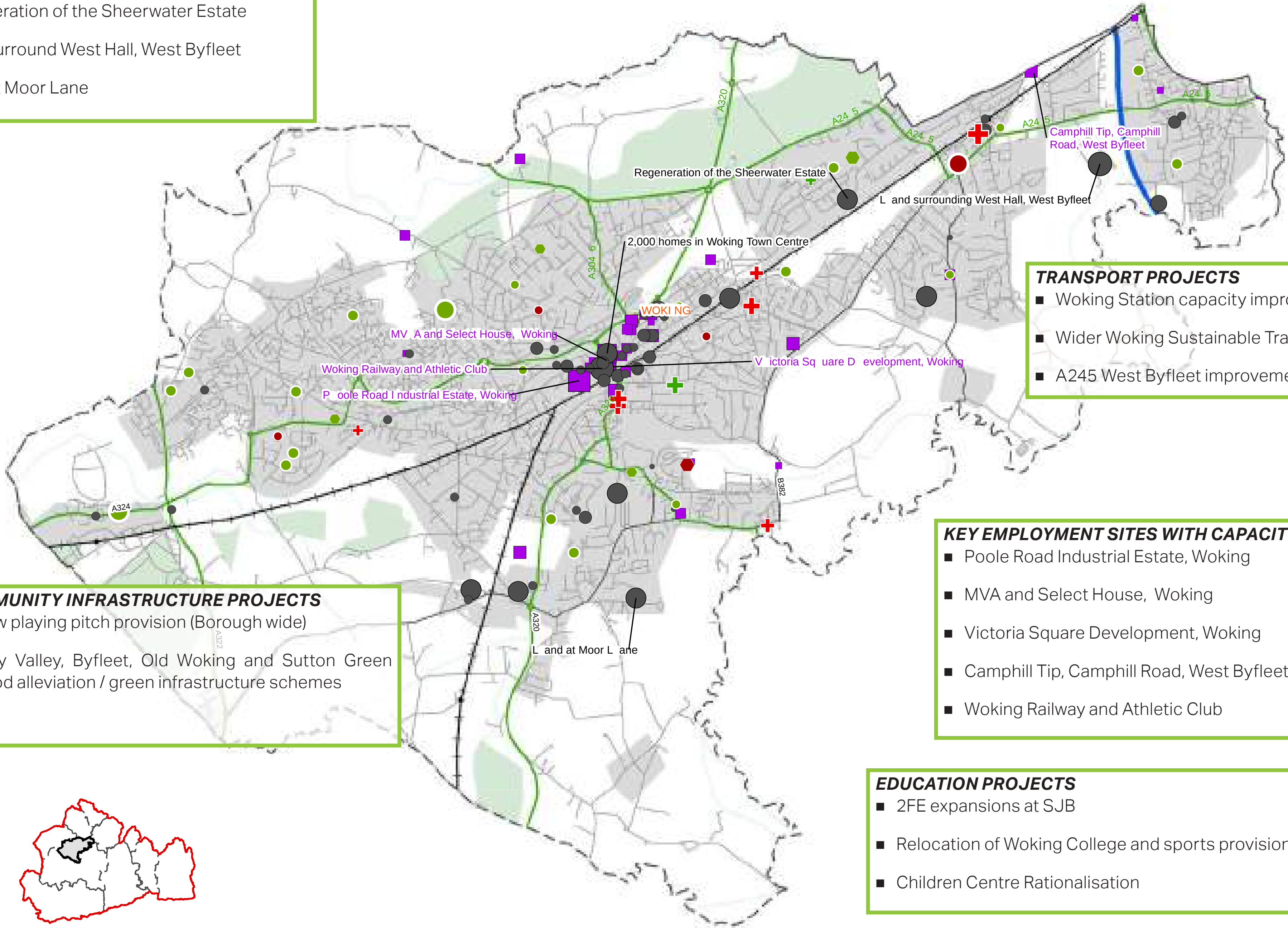
Total Secured Funding: £40,660,000

Total Expected Funding: £121,690,000

Total Funding Gap: £156,680,000

Funding as % of Costs: 51%

MAJOR HOUSING DEVELOPMENT
- 2,000 homes in Woking Town Centre
- Regeneration of the Sheerwater Estate
- Land surround West Hall, West Byfleet
- Land at Moor Lane



TRANSPORT PROJECTS
- Woking Station capacity improvements
- Wider Woking Sustainable Transport Package
- A245 West Byfleet improvements

KEY EMPLOYMENT SITES WITH CAPACITY
- Poole Road Industrial Estate, Woking
- MVA and Select House, Woking
- Victoria Square Development, Woking
- Camphill Tip, Camphill Road, West Byfleetfleet
- Woking Railway and Athletic Club

COMMUNITY INFRASTRUCTURE PROJECTS
- New playing pitch provision (Borough wide)
- Wey Valley, Byfleet, Old Woking and Sutton Green flood alleviation / green infrastructure schemes

EDUCATION PROJECTS
- 2FE expansions at SJB
- Relocation of Woking College and sports provision
- Children Centre Rationalisation

SUMMARY OF GROWTH + INFRASTRUCTURE ISSUES IN WOKING

Refer to Universal Legend at start of Chapter 5 to interpret Map icons

Projects Note - Any Strategic Projects Listed in Table 5.3 and affecting this local authority are not included in local costs and funding on facing page.

5.12 PROJECTS ADDRESSING MULTIPLE LOCAL AUTHORITIES

STRATEGIC PROJECTS

A number of important infrastructure projects have been identified as necessary to support housing and economic growth across Surrey and not specifically within the limitations of local authority. These are primarily confined to transport projects, utilities, waste and flood defences.

It should also be noted that the Infrastructure study has identified theoretical increases in demand for services such as Acute hospital beds at the local authority level, and whilst these have been presented as need at a local level, it is acknowledged that this provision is likely to be delivered at a strategic level serving a number of local authorities.

Total Infrastructure Costs: £2,276,000,000

Total Secured Funding: £931,000,000

Total Expected Funding: £30,000,000

Total Funding Gap: £1,315,000,000

% of Infrastructure Funded: 42%

Table 5.3

Strategic Infrastructure Projects

Project Type	Project Details	Cost	Funding
Highways	A31 Hickley's Corner Underpass	£87,000,000	TBC
	A320 Corridor	£100,000,000	TBC
Motorways	M25 junction 10/A3 Wisley Interchange Road Investment Strategy scheme	£250,000,000	£250,000,000
	M25 junction 10-16 Road Investment Strategy scheme	£250,000,000	£250,000,000
	A23/M23 Hooley interchange Junction improvement	£38,000,000	£38,000,000
	M25 Junction 9 leatherhead interchange bottleneck relief	£10,000,000	£10,000,000
Rail	Brighton Mainline capacity improvements	tbc	tbc
	Crossrail 2 Proposed Regional Route	tbc	tbc
	Proposed North Downs Line Improvements	£30,000,000	£30,000,000
	Southern Rail Access to Heathrow	£800,000,000	tbc
	Southwest Main Line Rail capacity improvements	tbc	tbc
	Woking Flyover' railway grade seperation at Woking junction	£100,000,000	tbc
Flood Defences	River Thames Scheme	£476,000,000	£248,000,000
Emergency Services	Replacement programme for Fire Stations	£35,000,000	£35,000,000
FE / HE	Growth on campus at RHUL - library £40m (opening 2017), science building £20m, residences £40m.	£100,000,000	£100,000,000
	Growth on campus at Surrey University	tbc	tbc
Social Care	Additional Extra Care Provision across Surrey of 750 beds	tbc	tbc
Special Education Needs	New free school to meet the needs of children across Surrey	tbc	tbc
Total Surrey		***£2,276,000,000***	***£961,000,000***

**Crossrail 2 cost not included in total Surrey Strategic Infrastructure Projects*


06

DELIVERY AND FUNDING

FUNDING IS THE BIGGEST RISK TO DELIVERING INFRASTRUCTURE. AS THIS DOCUMENT HIGHLIGHTS, THERE ARE PRESENTLY SIGNIFICANT GAPS IN FUNDING OF ALL TYPES OF INFRASTRUCTURE ACROSS THE COUNTY. WITH THE SHAPE AND LEVEL OF PUBLIC SECTOR FUNDING VERY DIFFICULT TO PREDICT SURREY LOCAL AUTHORITIES AND THEIR INFRASTRUCTURE DELIVERY PARTNERS FACE SIGNIFICANT FUNDING CHALLENGES TO ENSURE THE DELIVERY OF INFRASTRUCTURE TO SUPPORT EXISTING AND FUTURE RESIDENTS.

In light of this funding challenge delivery partners must explore every potential avenue of funding as part of the project delivery process. This chapter sets out:

- Organisations within Surrey with access to funding and their respective funding source options which could be relevant to infrastructure delivery.
- A high level analysis of the ability of developer contributions through Section 106 agreements and the Community Infrastructure Levy to deliver infrastructure, recognising the dependence on overall scheme viability relating to land values across Surrey.
- Other potential sources of funding.

The funding situation outlined in this chapter reflects current knowledge of approaches to the delivery and funding of infrastructure. However, an important point to note is that over the document time period (to 2031) at least three general elections will take place. This makes it difficult to predict the policy towards various types of infrastructure (health, education, transport etc.) in five years' time, and even in one years' time.

To illustrate this point, an education authority working 10 years ago, planning for an additional secondary school forecast as required in 2015 would have been unaware of the forthcoming creation of the Building Schools for the Future (BSF) programme, the subsequent abolition of that BSF programme, the Academies model and the recent direction towards free schools. Surrey local authorities can only work with what is currently known which highlights the need for flexibility - essential to accommodate the inevitable changes to delivery and funding over the planning period.

6.1 RELEVANT ORGANISATIONS WITH ACCESS TO FUNDING

AS IDENTIFIED IN EARLIER CHAPTERS THERE ARE A WIDE RANGE OF ORGANISATIONS RESPONSIBLE FOR THE DELIVERY AND FUNDING OF INFRASTRUCTURE WITHIN SURREY. THIS SECTION PRESENTS AN OVERVIEW OF THESE ORGANISATIONS AND THEIR SOURCES OF FUNDING.

SURREY COUNTY COUNCIL

As set out in previous sections SCC is responsible for providing many key local services and oversaw a gross annual expenditure of £1.79 billion in the financial year 2015/16. SCC is responsible for managing public money in the provision of these services including schools, social services, the fire service, roads, libraries, trading standards, land use, transport planning and waste management. SCC is the transport authority responsible for delivering the majority of the transport-related infrastructure to support development proposals in each local authority within Surrey.

Transport infrastructure projects in Surrey are funded through a blend of funding sources including Department for Transport grants, the LEPs and developer contributions .

Education and Children's Services represents the biggest outlay, in 2015/16 gross expenditure was over £0.96 billion, although the majority of costs are covered through government grants.

BOROUGH AND DISTRICT COUNCILS

The main services provided by the majority of local authorities include:

- Planning and Development Control
- Environmental Health
- Housing
- Leisure and Recreation
- Waste Collection

Sources of finance for local authorities include receipts from Council Tax distributed by Central Government, developer contributions (S106 or CIL) for specific local level infrastructure and service income.

The following additional funding sources are also available to local authorities to support development growth:

- **New Homes Bonus** - this commenced in April 2011, and will match fund the additional council tax raised for new homes and empty properties brought back into use, with an additional amount for affordable homes, for the following six years. It is based on the council tax of additional homes and those brought back into use, with a premium amount for affordable homes, and paid for the following six years. Changes to the New Homes Bonus may reduce the amounts secured in the future.
- **Retention of business rates** A business rates retention scheme was introduced in April 2013. It will provide a direct link between business rates growth and the amount of money councils have to spend on local people and local services. Councils will be able to keep a proportion of the business rates revenue as well as growth on the revenue that is generated in their area.

HIGHWAYS ENGLAND

Highways England (formally the Highways Agency) become a publicly owned corporation on 1st April 2015. Highways England reports to the Department for Transport and has responsibility for managing the Strategic Road Network in England. It operates a variety of information services, liaises with other government agencies as well as providing staff to deal with incidents on their roads.

Highways England responsibilities most relevant to the growth plan include undertaking large scale improvements through a programme of major schemes, carrying out routine maintenance of roads, structures and technology to make the network safe, serviceable and reliable and making sure traffic can flow easily on major roads and motorways.

A 'Road investment strategy' (RIS) sets out a long-term programme for UK motorways and major roads. Between 2015 and 2020, the first RIS will see £15.2 billion invested in over 100 major schemes to enhance, renew and improve the network nationwide.

Recent government announcements have confirmed a £1.4 billion package of 18 new road schemes in London and South East of England and of particular importance to Surrey a strategic study to look at long-term answers to conditions on the south-west quadrant of the M25, that can make the route effective for a generation to come.

NETWORK RAIL

Network Rail owns the infrastructure, including the railway tracks, signals, overhead wires, tunnels, bridges, level crossings and most stations, but not the passenger or commercial freight rolling stock.

Although it owns over 2,500 railway stations, it manages only 19 of the biggest and busiest of them, all the other stations being managed by one or other of the various train operating companies.

Track renewal, the ongoing modernisation of the railway network by replacing track and signalling, continues to be carried out by private engineering firms under contract.

ENVIRONMENT AGENCY

The Environment Agency (EA) is a non-departmental public body, established in 1996 and sponsored by the United Kingdom government's Department for Environment, Food and Rural Affairs (DEFRA), with responsibilities relating to the protection and enhancement of the environment in England.

There are two "policy and process" directorates. One deals with Flood and Coastal Risk Management and the other with Environment and Business. These are backed up by the Evidence directorate. The fourth directorate is a single Operations "delivery" unit, responsible for national services, and line management of all the Regional and Area staff.

As a risk management authority, authorities can apply for an allocation of government funding annually from the Environment Agency (EA). Authorities can use flood and coastal erosion risk management grant in aid (FCERM GiA capital grants) towards the costs of building new flood and coastal erosion defences. The amount of government funding the EA allocates to a project depends on the public benefit it provides. Benefits include reducing flood risk to households, businesses and infrastructure and creating habitat for wildlife.

Authorities would need to apply to the FCERM Programme a year in advance. For example, to apply for an allocation for a project starting in April 2017, authorities would need to have submitted details in the 2016 submission period.

NHS COMMISSIONING (NHS ENGLAND AND CLINICAL COMMISSIONING GROUPS)

NHS commissioning is the process of planning, agreeing and monitoring services. This includes the development of new buildings and health infrastructure.

Commissioning is not one action but many, ranging from the health-needs assessment for a population, through the clinically based design of patient pathways, to service specification and contract negotiation or procurement, with continuous quality assessment.

The NHS commissioning system was previously made up of primary care trusts and specialised commissioning groups. Most of the NHS commissioning budget is now managed by 209 clinical commissioning groups (CCGs). These are groups of general practices which come together in each area to commission the best services for their patients and population.

Nationally, NHS England commissions specialised services, primary care, offender healthcare and some services for the armed forces. It has four regional teams but is one single organisation operating to a common model with one board.

The NHS recognise that there is no single geography across which all services should be commissioned: some local services can be designed and secured for a population of a few thousand, while for rare disorders, services need to be considered and secured nationally. In Surrey therefore, there is no single commissioning body that adheres to the County boundary.

CCGs and NHS England are supported by new commissioning support units (CSUs).

The CCGs and NHS England receive direct funding for commissioning from the Government. In some instances they may also be recipients of developer contributions or other sources of local funding.

LOCAL ENTERPRISE PARTNERSHIPS (LEPS)

Surrey is covered by two cross-boundary LEPs:

- Enterprise M3 - which covers the M3 corridor to the west of the County
- Coast to Capital - which covers the corridor from Brighton to Croydon to the east of the County

LEPs are business-led, public/private bodies established to drive economic growth. With constrained public funding, the LEP need to find innovative ways to ensure the funding they receive has the greatest impact, and (where possible) creates future funding opportunities at the same time.

In March 2013, Lord Heseltine published a report on economic growth entitled 'No stone left unturned: in pursuit of growth', which outlined a number of new roles and responsibilities for LEPs. Since then the Government established the Single Growth Pot, worth £2bn per year, that LEPs can bid into (the Growth Deal). LEPs are also now responsible for overseeing the creation of a European

Funding Strategy for 2014-2020 for their individual areas. With regards to funding, the LEP's role is to:

- Explore new ways of funding infrastructure and enterprise investment
- Identify the finance gap for innovative SMEs looking to expand
- Help develop a 2014-2020 European Funding Programme that meets the need of the area
- Design innovative financial models to make best possible use of Enterprise Zone Business Rates income and Growing Places Fund recycled funds
- Provide clear guidance on where help, support and finance is available for enterprises

Growth Deal
Enterprise M3 and Coast to Capital have received the following growth deals:

Enterprise M3
£118.1 million received in the first tranche of the Local Growth Fund announced in July 2014

A further £29.9 million award in the second tranche, £71.1 million awarded in the third tranche (January 2017) and £42 million in loans from the Public Works Loan Board.

Identified to support 14 infrastructure projects to support creation of 6,000 new homes, 15,000 new jobs and attract up to £410 million public and private investment in Surrey and Hampshire.

Coast to Capital
The deal is worth £304m over six years, starting with investment of £41.5m of new funding in 2015/16.

This investment will unlock an additional £390m of investment from local public and private sector partners. Combined together this will create a total new investment package of £628m for the Coast to Capital region.

There will be a further £237m invested in new housing which will subsequently be enabled by this investment.

Overall, the Coast to Capital Growth Deal will deliver up to 21,000 jobs, 9,000 new homes and 380,000 sq m of employment space.

RELEVANT UTILITY COMPANIES

Utilities infrastructure delivery and funding is largely the responsibility of the relevant utility companies with connections to services also funded through site developers. Of importance to this business plan however is clarifying the procedure by which these utility companies consider development sites and how these are included within their own investment strategies.

Utility Providers are regulated by OFGEM and OFWAT; in principle, neither regulator supports installing new infrastructure on a speculative basis, rather they are reactive to providing supply to new developers once schemes are consented. However, if a robust business case that gives a good level of certainty that development will take place in a definite timescale is put to the Regulators, advance funding may be approved.

PARISH AND TOWN COUNCILS

Parish councils are the first tier of local government. They are elected corporate bodies, have variable tax raising powers, and are responsible for areas known as civil parishes. A parish council serving a town is called a town council, and has the same powers, duties and status as a parish council.

Local Parish and town councils have powers to provide some facilities themselves, or they can contribute towards their provision by others. There are large variations in the services provided by parishes, but they can include the following relevant to this business plan:

- Support and encouragement of arts and crafts
- Provision of village halls
- Recreation grounds, parks, children's play areas, playing fields and swimming baths
- Cemeteries and crematoria
- Public conveniences
- Provision of cycle and motorcycle parking
- Acquisition and maintenance of rights of way

The Council also has the power to raise money through taxation, the precept. The precept is the parish council's share of the council tax. The precept demand goes to the billing authority - the local authority - which collects the tax for the Parish Council.

Parish councils and associated neighbourhood forums also now receive a "meaningful proportion" of Community Infrastructure Levy receipts to the neighbourhoods affected by development, typically 15-25%. The scale of this contribution is directly linked to the number of homes developed in the Parish and the existing scale of the parish (in terms of dwellings). The meaningful proportion can be spent on anything to help mitigate the impact the development has on the town or parish. It is the decision of the town or parish council where the money is spent.

It should be noted that there is incomplete coverage of town and parish councils across the local authorities in Surrey with none in Epsom and Ewell or Spelthorne.

6.2 DEVELOPER CONTRIBUTIONS

DEVELOPER CONTRIBUTIONS' INCLUDE "SECTION 106 AGREEMENTS" HIGHWAY CONTRIBUTIONS KNOWN AS "SECTION 278 AGREEMENTS" AND THE COMMUNITY INFRASTRUCTURE LEVY (CIL). THIS SECTION PRESENTS AN OVERVIEW OF DEVELOPER CONTRIBUTIONS IN SURREY.

SECTION 106

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as s106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. They are focused on site specific mitigation of the impact of development. S106 agreements are often referred to as 'developer contributions' along with highway contributions and the Community Infrastructure Levy.

The common uses of planning obligations are to secure affordable housing, and to specify the type and timing of this housing; and to secure financial contributions to provide infrastructure.

The legal tests for when you can use a s106 agreement are set out in regulation 122 and 123 of the Community Infrastructure Levy Regulations 2010 as amended. The tests are:

- Necessary to make the development acceptable in planning terms
- Directly related to the development; and
- Fairly and reasonably related in scale and kind to the development.

The Government view S106 as providing on site or site related infrastructure and have introduced the Community Infrastructure Levy (CIL) to capture developer contributions from a wider proportion of developments, using a locally assessed charge based on the square meterage of new development, to support the development of an area.

The introduction of CIL has resulted in a tightening up of the s106 tests. S106 agreements, in terms of developer contributions, should be focused on addressing the specific mitigation required by a new development. CIL has been developed to address the broader impacts of development. There should be no circumstances where a developer is paying CIL and S106 for the same infrastructure in relation to the same development.

Section 278 Agreements – Highways Act 1980 - Developer Funded Improvements Works to the Existing Highway

Where highway objections to proposals can be overcome by improvements to the existing highway, developers can enter an agreement that requires them to pay for or undertake such works. These works may include minor highway realignments, roundabouts, traffic signals, right-turning lanes, passing bays, etc. S278 funds are exempt from CIL pooling restrictions.

DEVELOPMENT VIABILITY

A development's ability to contribute to infrastructure is dependent upon the value it will generate and the costs required to deliver it. This in turn is in part dependent on the value of the land. The "viability" of a scheme will impact on its ability to contribute through Section 106, CIL and other contributions to supporting infrastructure such as highways provision, affordable housing, education and green infrastructure.

Residential Land Values across Surrey

Figure 6.1 illustrates average land values across local authorities in Surrey. This is based upon 2014 Valuation Office Agency (VOA) data an average price per hectare for land with planning permission for residential uses. This is the latest available data.

Across Surrey the average price ranges from £3,876,000 per hectare in Spelthorne to £7,081,000 in Elmbridge. In general it is not surprising that the local authorities with best connectivity to London (i.e Guildford, Woking, Elmbridge, Epsom & Ewell) have highest land values..

The estimated value of a typical residential site for England (excluding London) was £1,958,000 per hectare. When London is included the average value rises to £6,017,000 . All authorities in Surrey are significantly above the average for England.

It should be noted that the VOA produce annual reports of residential land transactions until late 2010 when Government withdrew funding for it. This is despite the requirement in the NPPF for local authorities to have regard to land values.

The locally-based values illustrated in Figure 6.1 are produced by the VOA on a theoretical basis and provide a means to compare variations across Surrey. However, they do not necessarily represent true land values, and are not able to demonstrate variations between sites or conurbations within each local authority.

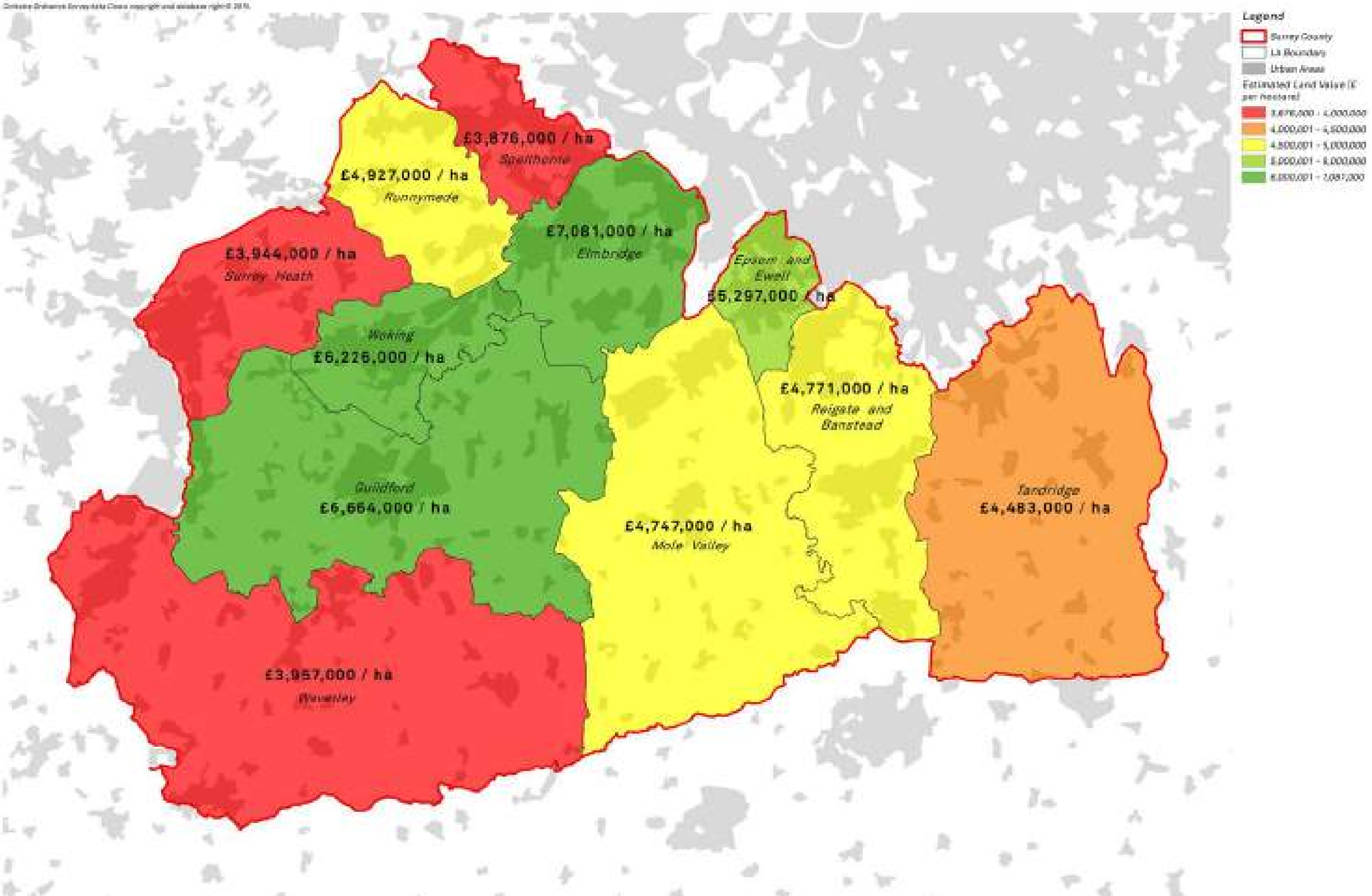


FIGURE 6.1 - LAND VALUES ACROSS LOCAL AUTHORITY AREA IN SURREY (2014)

Source: The Valuation Office Agency (VOA) published 2015 (2014 data)

COMMUNITY INFRASTRUCTURE LEVY

The Community Infrastructure Levy (CIL) came into force in April 2010. It is a fixed tariff based levy directed at new development to fund infrastructure.

The Government considers the CIL to be "fairer, faster and more certain and transparent than the system of planning obligations which causes delay as a result of lengthy negotiations". Levy rates are set by individual local authorities and may vary across each LPA and are subject to consultation with local communities and developers.

Figure 6.2 shows how CIL has been taken up across Surrey.

Eight authorities are currently charging CIL with typical residential charges of between £100 and £150 per sq metre.

The remaining authorities, namely Runnymede, Guildford and Waverley, are currently preparing new Local Plans and as a result the implementation of CIL in those areas has been delayed.

As Figure 6.2 shows, adopted and draft CIL rates are fairly consistent across Surrey representing the viability of development is broadly comparable across the county.

IMPLICATIONS OF CIL REGULATIONS ON SECTION 106 AGREEMENTS

The 2014 CIL Statutory Regulations placed additional restrictions on LPA's use of Section 106 funding. Since 6th April 2015 local authorities can no longer pool more than five s106 obligations together (dating back to March 2010) to pay for a single infrastructure project or type of infrastructure (however Section 278 agreements are unaffected). This restriction has had the effect of reducing contributions towards infrastructure schemes that would previously have benefited from pooled contributions received from more than five developments. This impact has been acknowledged by the Government in the recent review of CIL by an independent group from across the development industry and local government which was appointed in 2015 to assess whether the CIL regime was effective in providing infrastructure funding to support new development. A report from the group has been published and includes a number of conclusions including:

- Where CIL has been adopted it has raised only a fraction of the receipts anticipated at inception of the regime;
- Many authorities have not implemented CIL, leaving increased reliance on Section 106 agreements;
- CIL has not resulted in infrastructure being provided when needed to support development and it is particularly unsuited to larger developments; and
- CIL is overly complex and bureaucratic.

If the report's recommendations were adopted then the removal of the pooling restriction would be one of the outcomes. It is anticipated that whilst CIL will remain, any changes will be adopted by 2020, the end of the current parliament.

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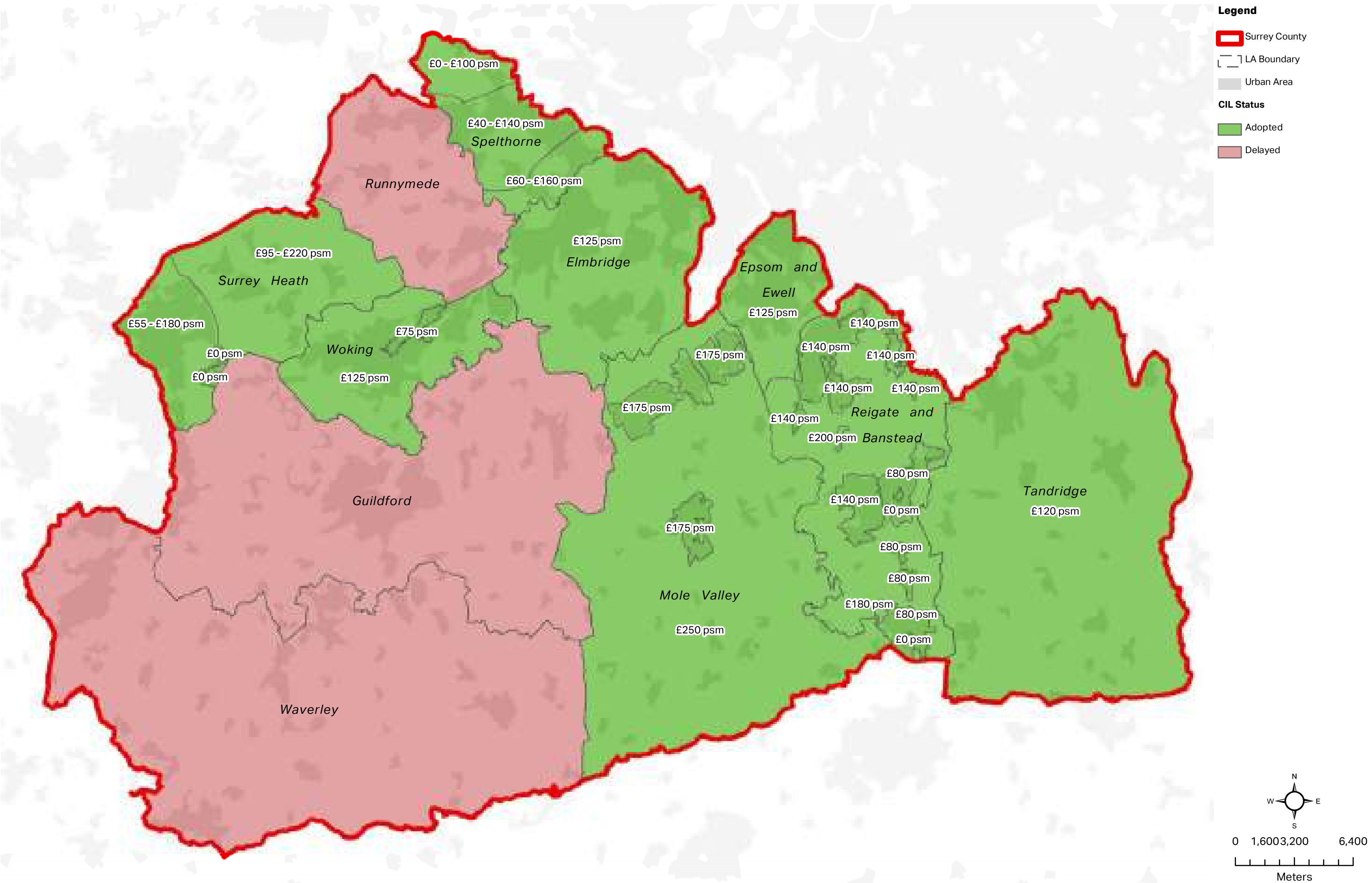

FIGURE 6.2- ADOPTED AND DRAFT RESIDENTIAL CIL RATES ACROSS SURREY

Source: Local Authority Published Draft and Adopted CIL Charging Schedules

6.3 PROJECT LIST FUNDING SENSE CHECK ASSUMPTIONS

TAKING INTO CONSIDERATION OUR UNDERSTANDING OF CURRENT AND PROJECTED DEVELOPER CONTRIBUTIONS AS SET OUT IN THE PRECEDING SECTIONS, THIS SECTION SETS OUT THE WORKING ASSUMPTIONS THAT WE HAVE USED IN ASSESSING LIKELY FUNDING AND GAPS FOR INFRASTRUCTURE PROJECTS TO 2031.

As set out in earlier chapters, the information on projects and costs set out within this study has been obtained from a variety of sources, with inputs from SCC officers, local authority IDPs and infrastructure providers.

In many instances information has been provided on likely costs but a considerable gap in information remains regarding likely funding sources.

In order to provide a "sense check" against total costs, a series of funding assumptions have been made based upon an analysis of current and projected funding sources.

A number of infrastructure topics have been assessed theoretically using benchmark calculations where no actual infrastructure projects have been identified. These theoretical costs have subsequently had a theoretical level of funding applied to them from either developer contributions, public sector funding or private sector funding.

The assumptions applied are set out here.

Developer Contributions
Table 6.2 on the facing page summarises our research into potential developer contributions through the community infrastructure levy to theoretically apply to projects with no identified funding. Surrey County Council have undertaken an estimate of potential CIL contributions across the county in light of the fact that eight out of eleven authorities are now charging a CIL rate. CIL is allocated by the borough and district councils and the allocation approach varies across the authorities. However, taking into account affordable housing exemptions the average level of CIL receipt per dwellings across all types of housing unit is estimated at £8,160.

The county have refined this analysis further with an assumed breakdown of this contributions across the various topics from transport, education through to the administrative costs of CIL. A different breakdown has been applied to Surrey Heath and Woking boroughs given the requirement to mitigate the impacts of all residential development within 5km of the Thames Basin Heaths Special Protection Area by providing SANGS and the fact that both boroughs fall within this 5km radius in their entirety. Along with Elmbridge, where only the south western part of the borough is affected, these authorities have already adopted CIL and 'topslice' contributions towards SANGS. Although Elmbridge also topslices CIL for SANGS, the average per dwelling across the whole of the Borough is very small. The other 'SANGS' local authorities – Guildford, Runnymede and Waverley have yet to adopt CIL and may not look to CIL to fund SANGS. This is set out on the facing page.

These combined sources have allowed us to develop a working assumption with regards to the potential level of CIL contribution per unit that could be expected across each of the infrastructure topics. The analysis presented in table 6.2 suggests that a total contribution of £6,732 can be assumed per dwelling which has subsequently been applied to the housing trajectories to generate the 'Expected Funding' presented within this report.

It is important however to note **there will also be additional developer contributions in the form of S278 and S106**, particularly in those local authorities where there are identified and potential strategic sites. There could also be some CIL contribution towards specific library projects but both of these factors have not been included in the figures presented here and is therefore presented as a conservative estimate.

The county have established these estimated contributions only for the purpose of this study as a theoretical exercise and they are based on the current CIL regulations which have the potential to change.

Public & Private Sector Funding Assumptions
A number of the theoretical costings can also be assumed as funded by either public or private sector organisations and subsequently be discounted from the identified funding gap. The table below highlights the % of identified costs assumed to be funded after all known secured funding and developer contributions have been taken into account.

Table 6.1

High level Funding Assumptions for Modelling

INFRASTRUCTURE	*FUNDING WORKING ASSUMPTIONS*	*%*
Healthcare	NHS	*75*
Waste Facilities	SCC / Local Authorities	*75*
Early Years	Private sector operators	*90*
Social Care	Private sector investment and institutional investment	*90*
Electricity & Gas	Electricity and Gas providers	*100*
Water and Sewage	Water supply and waste water providers	*100*
Broadband	Broadband communication providers	*100*

SCC Estimated CIL contributions across Surrey Local Authorities	Surrey Heath	Woking	Other Local Authorities	Applicable to Project List
Transport	£0	£1,499	£1,632	100%
Education	£0	£844	£1,632	100%
Local Authorities / healthcare	£0	£360	£2,040	100%
Parish / Neighbourhood Proportion	£2,040	£2,040	£2,040	50%*
SANGS	£5,712	£3,009	£0	100%
Flood Defences	£0	£0	£408	100%
CIL Administration	£408	£408	£408	0%
Total	**£8,160**	**£8,160**	**£8,160**	**£6,732**

Source: Surrey County Council

*Working assumption applied that a percentage of the Parish / Neighbourhood meaningful proportion of CIL could be contributed towards local infrastructure projects.

Note: Elmbridge top slice SANG from CIL, but when averaged across the borough the total per dwelling is low.

The funding assumptions presented are indicative and provide an overall rule of thumb in sense checking funding streams required to support infrastructure delivery in Surrey. These should be subject to review in dialogue with county and local authority officers and other infrastructure providers.

SCC Estimated CIL contributions across Surrey Local Authorities		Per Dwelling CIL Contribution		
		Surrey Heath	Woking	Other Local Authorities
Motorways				
Highways	100%	£0	£1,499	£1,632
Public Transport				
Rail				
Other Strategic				
Primary Education	50%	£0	£422	£816
Secondary Education	50%	£0	£422	£816
Adult Education	5%	£51	£69	£153
Early Years	5%	£51	£69	£153
Primary Healthcare	15%	£153	£207	£459
Acute Healthcare	5%	£51	£69	£153
Mental Healthcare	5%	£51	£69	£153
Adult Social Services				
Libraries	5%	£51	£69	£153
Youth Services	5%	£51	£69	£153
Community Facilities	15%	£153	£207	£459
Sports Facilities	20%	£204	£276	£612
Outdoor sport & Recreation	20%	£204	£276	£612
Green Infrastructure	100%	£5,712	£3,009	£0
Energy (Electricity & Gas)				
Water and Sewage				
Waste				
Broadband				
Flood Defences	100%	£0	£0	£408
Total		**£6,732**	**£6,732**	**£6,732**

TABLE 6.2 - REVIEW OF POTENTIAL COMMUNITY INFRASTRUCTURE LEVY CONTRIBUTION FORMING WORKING ASSUMPTION

6.4 ADDITIONAL SOURCES OF FUNDING

GIVEN THE LIMITATIONS OF CIL AND SECTION 106 TO FULLY FUND INFRASTRUCTURE ACROSS SURREY, CONSIDERATION MUST BE GIVEN TO WIDER (AND MORE INNOVATIVE) FUNDING MECHANISMS THAT ARE BEING DEVELOPED BY THE PUBLIC AND PRIVATE SECTORS.

CONTEXT

The market is in an economy where development investment finance is less freely available and risk is under greater scrutiny. This is coupled with an austerity budget position in the public sector resulting in lower availability of funding to support infrastructure projects.

Local authorities need to look across their full range of funding streams when considering delivery and prioritisation of infrastructure requirements. The flexibility to mix funding sources at a local level enables local authorities to be more efficient in delivering outcomes. Funding sources change over time with emerging priorities and changes in regime either at local, regional or national level. In addition, other partners and stakeholders may be able to play a part.

The following options reflect current possibilities for funding. They reflect a wide range of options based on proposals across Surrey, experience of the developer/ financier community and existing and emerging sources of public sector funding.

The analysis has focused on four categories:

- **Cash and Funds** – funding from sources of 'investment capital', including grant funding and commercial finance, potentially delivered through a joint venture mechanism;
- **Assets** – funding sources that arise from capturing an increase in land value;
- **Fiscal** – funding that comes from the application of main stream fiscal tools (e.g. business rates); and
- **Other potential funding sources** – thinking creatively and learning from other forward thinking authorities.

1) CASH AND FUNDS

PRUDENTIAL BORROWING (PUBLIC WORKS LOAN BOARD OR 'PWLB')

The public sector can borrow from the Public Works Loan Board (PWLB) at rates determined by HM Treasury to fund its spending and represents a key source of finance which could be used to fund infrastructure. This is the main direct funding source for local authorities and interest rates are currently low in comparison to other funding sources.

Local authorities can borrow to invest in capital works and assets so long as the cost of borrowing is affordable and in line with the principles set out in a professional Prudential Code. This means that local authorities must use various prudential indicators to judge whether their capital investment plans are affordable, prudent and sustainable.

Prudential borrowing represents a key source of affordable finance which could be used to meet the upfront costs of key infrastructure. It has the benefit of being a relatively reliable source of finance, not being subject to commercial market appraisals in the way that a bank financed project would be.

However, whilst this could help meet the upfront costs of infrastructure, it will increase the overall costs due to the need to service debt on the loan and it does place the local authority in a position of risk in terms of repaying the whole value of infrastructure from resources, if revenue or value through the schemes to come forward cannot be captured.

EUROPEAN FUNDING

European funding for the UK is still available for the short term from the European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) which are combined into a single 'EU Structural Investment Funds (ESIF) Growth Programme' made available to Local Enterprise Partnerships (LEPs) on a competitive basis.

The Programme runs from 2014 to 2020 and focuses on:

- Skills, Employment Support and Promoting Social Inclusion (ESF)
- Research and innovation, IT and broadband, business support, low carbon, climate change, environment, transport, social inclusion, technical assistance (ERDF)
- Support for rural businesses (EAFRD)

EU funds require match-funding from either public or private sources. They must be additional to, and not replace, existing national funding. Opt-in arrangements are encouraged to ensure a closer integration with local and national programmes, sources of guaranteed match funding, and provide a low level of risk in delivery. Delivery of the programme is through a variety of routes. These are open calls for projects, opt-ins, possibly financial instruments, and commissioning through tendering for delivery contracts.

A number of other European funds can support infrastructure investment including: Connecting Europe Facility for road and rail infrastructure with significant EU added value; CIVITAS for the implementation of ambitious, integrated, sustainable urban transport strategies; LIFE for measures to mitigate and adapt to climate change; Natura 2000 to protect the EU's most valuable and threatened species and habitats; ELENA which supports councils in preparing and implementing sustainable energy plans for their area. In addition, the European Investment Bank (EIB) lends to individual projects where the total investment cost exceeds EUR 25m.

The future extent and role of European Funding in infrastructure investment in the UK will depend on the arrangements agreed for the exit of UK from the European Union. Government has agreed to continue to fund EU projects post Brexit if they meet national needs. The Government may need to provide additional national funding as a replacement for any EU funding lost to Surrey and to ensure that the local economy can adapt and respond to new challenges to our trading relationships. The absence of a national replacement to EU funding would exacerbate existing local funding gaps identified in this study.

2) ASSETS

The increase in land value has been a mainstay of economic development financing over recent years. Utilising a range of tools, such as development agreements, local asset backed vehicles or other joint ventures, local authorities have been able to secure large amounts of infrastructure from improvements to land values. This has needed to be combined with careful use of planning consents and S106 agreements, but with the restrictions on pooling of S106 contributions moving forward then the ability to use this option may narrow.

LOCAL ASSET BACKED VEHICLE (LABV)

The rewards or benefits of a Local Asset Backed Vehicle (LABV) in certain circumstances outweigh the costs although the financial implications of setting up a LABV are significant. Procurement, preparing and agreeing legal documentation, to include specialist property and financial advice require significant Officer and external advisor time. Once in place, on-going management and due diligence needs to be considered, along with post procurement advice and support to the authority. If such costs were sought to be recovered through the vehicle it would in effect become a reduction of the land costs.

STRATEGIC ASSET MANAGEMENT

There are a range of approaches to ensuring public sector assets are managed to maximise efficiencies. A number of innovative approaches to asset management, co-location of services and provision of infrastructure are underway in Surrey.

The county council is currently reviewing existing service assets and developing Service Asset Strategies to plan for future requirements. The council, along with local partners, is also a member of the Government's One Public Estate Programme. The following design principles are being utilised in both these work areas to manage and develop assets to meet anticipated needs.

- Enable residents to access public services from multi-functional service hubs.
- Ensure buildings are in the best location to deliver services and meet demand.
- Ensure assets are flexible and future proofed.
- Improve value for money and utilisation of assets, for example out of hours.
- Work towards a single public estate to reduce expenditure.
- Support economic development within the county.
- Generate additional income through sale or lease of surplus assets to help fund services.

The One Public Estate Programme will deliver a number of projects including the redevelopment of the Colebrook Day Centre in Redhill to provide a new purpose built multi-functional space delivering a number of front line services and the refurbishment of Weybridge Library to create space for co-location with another service.

3) FISCAL

BUSINESS RATE RETENTION

Business rate retention and Tax Increment Financing represent a real opportunity to bridge the infrastructure funding gap. It has required the enactment of new legislation which received Royal Assent in October 2012 and produced the Local Government Finance Act 2012. The Act introduced local retention of business rates, as well as powers for the Secretary of State to introduce Tax Increment Financing to allow councils to borrow against future increases in income.

The Business Rates Retention (BRR) scheme was introduced in April 2013 and provides the opportunity for councils to retain a proportion of business rates revenue as well as growth on the revenue that is generated. The scheme could be used to meet the cost of infrastructure as and when the revenue is received, or it could be used to raise finance to meet up-front infrastructure costs.

Under the BRR scheme local authorities are able to pool together on a voluntary basis to generate additional growth and smooth the impact of volatility in rates income across a wider economic area. Business rates would generate funds which could be used to pay for a range of needs. Their use to help meet the funding of infrastructure would need to be carefully considered against other council funding objectives.

Under current Government plans Local authorities will retain 100% of business rates within the sector by the end of this Parliament and how the system will operate is not yet clear. Its design and the implications for certainty of longer term income may impact on local authorities' willingness to invest in longer term projects such as infrastructure.

This will therefore require a concerted effort for local authorities to pro-actively to bring forward new business land and premises using all the available powers and financial interventions at their disposal to facilitate business expansion opportunities and also secure a higher proportion of inward investment businesses, particularly taking advantage of any displaced businesses from London.

TAX INCREMENT FINANCING (TIF)

Tax Increment Financing allows local authorities to capture the value of uplifts in local taxes (business rates) that occur as a result of infrastructure investment. Tax Increment Financing allows that uplift to take place by borrowing against the value of the future uplift to deliver the necessary infrastructure. Local retention of business rates removes the most important historic barrier to Tax Increment Financing schemes, namely that local authorities were not permitted to retain any of their business rates and therefore could not borrow against any predicted increase in their business rates.

Borrowing for Tax Increment Financing schemes therefore falls under the prudential system, allowing local authorities to borrow for capital projects against future predicted increases in business rates growth, provided that they can afford to service the borrowing costs out of revenue resources. However, such borrowing can only take place if local authorities and developers have a degree of certainty about the future tax revenue streams and whether there are sufficient guarantees that they will be retained within the authority.

The Local Government Finance Act includes two options for TIF. Option one would see local authorities, within the existing prudential borrowing rules, able to borrow against their income within the business rate retention scheme. Option two would allow a limited number of Tax Increment Financing schemes to be permitted in which the business rates growth would not be subject to the levy or reset for a defined period of time.

PRIVATE FINANCE 2 (PF2)

In December 2012, the Government concluded its review of PFI and published full details of a new approach to public private partnerships, Private Finance 2 (PF2). The Government remains committed to private sector involvement in delivering infrastructure and services, but has recognised the need to address the widespread concerns with Private Finance Initiative and the recent changes in the economic context

They key reforms are as follows:

- **Public sector equity** - The public sector will take an equity stake in projects and have a seat on the boards of project companies, ensuring taxpayers receive a share of the profits generated by the deal.
- **Encouraging more investors with long-term investment horizons** - The use of funding competitions will be introduced to encourage institutional investors such as Pension Funds to compete to take equity in a PF2 project after the design stage. This is significant in terms of risk as Pension Funds are unlikely to invest in projects that are insufficiently developed.
- **Greater transparency** - Companies will have to disclose actual and forecast annual profits from deals. The new PF2 structure will curb gains to be made from refinancing and un-utilised funds in lifecycle reserves.
- **More efficient delivery** - An 18-month limit on procurement will be introduced. Failure to meet this limit will see the respective public sector body lose funding.
- **Future debt finance** - the tender process will require bidders to develop a long-term financing solution where bank debt does not provide the majority of the financing requirement. Institutional investment will, therefore, become an important source of finance for PF2.

The first confirmed programme to which PF2 has been applied is the £1.75 billion privately financed element of the Priority Schools Building Programme (PSBP). While the immediate PF2 pipeline is focused on accommodation projects, an asset class which has been a particular focus of the PFI reforms, the Government wants to ensure that all suitable projects take advantage of the benefits of PF2. Looking forward the Treasury will work with departments to assess which future projects are eligible for PF2.

4) OTHER POTENTIAL FUNDING SOURCES

There is the option to think 'creatively and bigger' and consider a range of further public and private sector sources, including but not limited to the following:

REVOLVING INVESTMENT FUNDS (RIFS)

The pooling of investments to create a regional fund for economic investment. These Revolving Investment Funds (RIF) provide access to a flexible source of capital that can be used to finance projects. Importantly this finance is provided as a loan, not a grant or subsidy. They will not provide quick fix solutions but have the potential to provide a vehicle for local investment that allows more entrepreneurship and experimentation than grant funding models.

There is on the ground experience to draw on in establishing RIFs, for example the Evergreen North West Fund, London Green Fund and the Cambridgeshire Horizon's rolling fund, but the model is new and will require ongoing evaluation to ensure that ventures are supported that realise the best returns. In the face of major cuts to grant funding a number of local authorities are considering the creation of similar schemes for regeneration and infrastructure.

PENSION FUNDS

The Local Government Pension Scheme (LGPS) is a funded, statutory, public service pension scheme. DCLG is responsible for the scheme's stewardship and maintaining its regulatory framework. It is administered and managed by local pension fund authorities. At the end of March 2013, the market value of the 81 funds in England was £167 billion.

A number of recent studies have looked at whether there is more scope for LGPS funds to do more to invest for wider social and economic benefit. A study by the Smith Institute in 2012 summarised the key barriers to developing impact investments (particularly for infrastructure funds) were managing reputational risks associated with new investments and potential conflicts of interest, especially where local infrastructure schemes were concerned. Despite these perceptions, investment for wider impact was certainly much higher up the agenda of all the funds interviewed.

Its recommendations for change included better guidance for local funds, changes to restrictions on investments in the Investment Regulations and the creation of an enabling platform or clearing house. Another report published in 2012, by *Localis*, said that local authorities should be prepared to see an additional 8.5% of LGPS funds invested in domestic infrastructure.

In 2012, DCLG carried out a consultation on possible changes to the Investment Regulations. It proposed two options for overcoming perceived barriers to investing in infrastructure. As a result of the consultation, it amended the investment regulations to increase the proportion of the capital value of a fund that could be invested in partnerships. The CLG said the change would give funds more scope to "invest in infrastructure projects subject to a full risk assessment and satisfying themselves there is no conflict of interests".

LOCAL AUTHORITY BONDS / MUNICIPAL BONDS AGENCY

Local authorities have always had the power to issue bonds. Municipal bonds were used regularly throughout the early and mid-20th century, but fell into disuse during the 1970s and 1980s, as central government introduced controls over capital finance. The Public Works Loan Board became the main source of borrowing during this period. Bonds allow local authorities to raise substantial sums of capital immediately, on the basis of promises to repay the capital with interest at a specified point in the future.

It would be possible for a local authority to issue bonds as part of a TIF process. Money would be obtained up-front by selling the bonds (instead of approaching financial institutions), and they could be repaid by the additional tax revenues resulting from the public investment. TIF takes this form in many cities in the USA. If the future tax revenues do not materialise and the local authority is thus unable to repay the bonds, this will of course cause financial problems for the local authority.

Local authorities' borrowing limits will be related to the revenue streams available to them, which influence their ability to repay the debt. Local authorities are prevented by law from using their property as collateral for loans. The only recent instance of bonds being issued is that of the Greater London Authority (GLA), which issued £600 million of bonds to raise funds for Crossrail. The GLA however has access to substantial revenue streams compared to most local authorities (such as fare revenue from Transport for London), and its borrowing capacity will therefore be proportionately larger.

The LGA produced a report in mid-2012 proposing to create a collective bond issuing agency. Participation would not be compulsory, but would be attractive to smaller authorities which might not be able to obtain the best price in the conventional bond market. The agency would also obviate the need for the participating councils to have a credit rating, though they would be required to supply financial information to allow investors to judge the agency's collective creditworthiness. Participating authorities would also be required to supply a small proportion of their desired loan in capital.

The business case assumed at least tacit support from government. Such support is critical in order for financial markets and bond investors to have confidence in the proposed agency. Securing and maintaining the necessary government support is a considerable risk as it appears that some parts of central government may be sceptical to the prospect of such an agency being created at this point.

Interest in this project was rekindled in late 2013, when the LGA management board voted to press ahead with the creation of such an agency. At least eighteen local authorities have expressed interest in participating in the new agency. LGA Modelling work suggests that a Municipal Bonds Agency would allow councils to raise funds at a significantly lower rate than those offered by the PWLB. The model showed that a council borrowing £100 million over 20 years would stand to save as much as £4.7 million compared to a PWLB loan.

CROWD FUNDING

Crowdfunding is the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the internet. The crowdfunding model is fuelled by three types of actors: the project initiator who proposes the idea and/or project to be funded; individuals or groups who support the idea; and a moderating organization (the "platform") that brings the parties together to launch the idea. There are two primary types of crowdfunding:

- *Rewards Crowdfunding*: entrepreneurs pre-sell a product or service to launch a concept without incurring debt or sacrificing equity/shares.
- *Equity Crowdfunding:* the backer receives shares of a company/project, usually in its early stages, in exchange for the money pledged. The company/project's success is determined by how successfully it can demonstrate its viability

A variety of crowd funding platforms have emerged to allow ordinary web users to support specific philanthropic projects without the need for large amounts of money. Several dedicated civic crowdfunding platforms have emerged in the UK, some of which have led to the first direct involvement of local governments in crowdfunding. Notable examples include:

- Bristol City Council's Mayor's Fund – crowdfunding grants for local charities and social enterprises in as part of its 'Mayor's Fund'. The grants for 2013/14 will fund work with disadvantaged young people and children in Bristol.
- Mansfield District Council - Mansfield District Council successfully used the crowd sourcing platform Spacehive to raise over £36,000 to install free public WiFi across Mansfield.

There are limitations however, most projects are highly local, limiting the size of the community that might support and financially invest in an idea. Typical campaigns have generated funding around the tens-of-thousands mark. This would not be enough to support larger projects that local government is involved with, such as transport infrastructure and educational projects. This leaves the question of whether locally backed projects can raise enough money to support larger initiatives? It may be the case that crowd funding represents a potential funding stream for the smaller social infrastructure and desirable local level projects that can often be overlooked when allocating limited funding across a range of infrastructure requirements.

SOCIAL INVESTMENT

Social problems transfer from one community to the next, from one generation to another. By investing repayable and recyclable capital into tackling social problems, two types of returns are generated: financial returns to investors, but social returns to investors and to society more generally. This is empowering, efficient and necessary.

Social impact investment is the provision and use of capital with the aim of generating social as well as financial returns. This type of investment carries an expectation of repayment of some or all of the finance. It can cover loans, equity, bonds, and is sometimes used alongside other instruments, such as guarantees or underwriting. As with any other investments, where the investee business performs well, returns generated may be principally reinvested in the business, as well as offering a limited proportion of these to investors.

Investors in social outcomes weigh up the balance between the social and financial returns which they expect from an investment, according to their own priorities. They may accept lower financial returns in order to generate greater social impact.

INSTITUTIONAL INVESTORS

The UK, particularly the London region, offers an extensive set of infrastructure investment opportunities, including in the regulated utility, power generation and transportation sectors. The UK's longstanding track record of private ownership and robust rule of law makes it amongst the most attractive jurisdictions for infrastructure investing."

There is presently strong interest in the UK infrastructure market amongst overseas investors, including Middle East and Far East sovereign wealth funds as well as more traditional investors such as pension funds and which are struggling to find attractive opportunities to invest their cash amid record low interest rates, are committing more money to real assets, which promise higher returns as well as an annual cash yield. Infrastructure funds attracted $40.7 billion in 2013, compared with $30 billion the year before and nearing the 2007 peak of $44 billion, according to Preqin, a global venture capital consultancy.

However, despite the strong interest in the UK market among investors, there are still hurdles to overcome as institutional investors attempt to marry their responsibilities and duties within tight legal and regulatory frameworks that vary across borders. Infrastructure debt competes for attention with other asset classes, and strong competition might see investors move their investment allocations away from the UK's infrastructure assets towards other asset classes.

INDUSTRY AND BUSINESSES

Surrey County is home to a wide range of businesses from multi-national firms to local family run businesses. All of these enterprises have a strong interest in ensuring the appropriate investment in infrastructure is maintained to support economic growth in the County. These firms represent a potential source of partner funding.

THE VOLUNTARY SECTOR

The voluntary sector (from voluntary organisations to individual volunteers) play an integral role in the delivery of social infrastructure provision across the County and will continue to provide capacity to support the existing and new population and assist in the delivery of new projects.

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CONCLUSIONS

As identified at the outset of this document, this update to the Surrey Infrastructure Study presents an overarching baseline of growth patterns, infrastructure projects and cost requirements and gaps. It has been produced drawing upon information obtained through Surrey County Council officers and following a period of engagement with the Local Authorities and other infrastructure providers.

The study provides a “snap-shot” in time, reflecting the position during June 2017. It must be remembered that the growth and development context is in a constant state of flux and with all LPAs in Surrey at varying stages in developing and implementing their local plans, and negotiating planning consents, the position will change over time.

The preparation of the study has demonstrated strong collaborative working between the county and local authorities. It has however shown that shortfalls exist in terms of a standardised agreed approach towards a study of this kind including the collection of data on housing and employment sites, population forecasting, modelling infrastructure requirements and the costs and funding assumptions for that infrastructure.

The 2016 Surrey Infrastructure Study identified that:

- Surrey authorities planned for housing and economic growth from **2015-2030** to **deliver on average 3,137 dwellings per year**. This compares to **completions of 2,495 dwellings per year** across Surrey from 2010 to 2014. This comes to a total of **47,053 dwellings to 2030,** which results in a 5% increase in population or **60,991 additional people**.
- Delivering the infrastructure to support growth was identified to **cost at least £5.37 billion to 2030**.
- The study estimated **secured funding of over £993 million** and potential funding from the public sector, private sector and developer contributions of £1.23 billion.
- Taking into consideration the potential funding identified, a minimum **gap in infrastructure funding of £3.2 billion** was identified between 2015 to 2030.

The following key findings have been established from the 2017 study:

- Surrey authorities are planning to accommodate housing and economic growth over the 15 year period to 2031delivering on average **4,357 dwellings per year.** This compares to completions of 2,486 dwellings per year across Surrey from 2011 to 2016.
- **65,356 dwellings** are expected between 2016 and 2031 with an associated population **increase of 106,123 people** (an increase of 9%).
- Delivering the necessary infrastructure to support that growth from now to 2031 is estimated to **cost at least £5.5 billion.**

- The study has estimated a combination of secured funding (over £1.22 billion) and potential funding from the public sector, private sector and developer contributions (£1.83 billion). It is important to note that a full review of the funding position for each project included in the study is required to refine this estimation. This has been outside the scope of this project.

- Taking into consideration the potential funding identified, a **gap in infrastructure funding of £2.47 billion** still remains between now and 2031.

- The study demonstrates that current anticipated developer contributions. Central Government grants and other sources of income are not sufficient to support the scale of growth anticipated in Surrey in the period to 2031. This is without consideration of further potential changes to current funding sources which may reduce finances further, such as reduction in grants or additional exemptions from the Community Infrastructure Levy (CIL).

- CIL is at varying stages of adoption across the county (due to the difference in stages of adoption of Local Plans), resulting in variations in land value and the amount of money that will be collected. The identified funding gap should be considered and taken into account when setting CIL rates.

- The infrastructure requirements and associated costs presented represent a scenario based on a population forecast constrained by planned housing targets as opposed to ONS population forecasts. Where the Objectively Assessed Need (OAN) has been used, these may be higher than the final target.

- **ONS population forecasts for Surrey over the same 15 year period are 34% higher than the study forecasts.** The estimated costs associated with the infrastructure to support population growth could therefore be increased considerably if a growth level nearer the ONS forecast was realised.

The following key steps have been identified for Surrey and its partners to take the study findings forward:

- Developing an investment framework and strategy for infrastructure delivery in Surrey to support planned growth

- Joint work between the 12 Surrey local authorities to bid for funding through the Local Enterprise Partnerships

- Developing an infrastructure evidence based to 22050 for the Surrey, West Sussex and East Sussex (3SC) area

- Engaging with Government and national agencies to shape their investment plans, as part of the Sub-National Transport Body, Transport for the South East

- Working with authorities in London, the East of England and South East to coordinate strategic policy and infrastructure investment across the Wider South East, including joint lobbying for strategic infrastructure priorities

- Revisit the evidence base behind this study on a regular basis in collaboration with partners to maintain a rolling understanding of the infrastructure landscape and funding priorities;

- Consider the implications of infrastructure providers decisions both now and in the future. This study has used standard metrics to determine requirements for some infrastructure elements (such as healthcare, libraries, community and leisure, youth services, social care accommodation etc), but the actual requirements will be heavily dependent on service decisions on new delivery models which are affected by regulatory, financial and technological changes;

- Local authorities and r infrastructure providers to continue to work together to maintain an up-to-date understanding of growth distribution and supporting infrastructure;

- Use the study as a basis for identifying local level shortfalls to support bids for future funding, including potential means outlined in Section 6;

- Develop a wider linkage to asset management reviews to best utilise the public sector;

- Continue to work with the Local Enterprise Partnerships and other local authorities in the South East on strategic issues and priorities - in particular transport - to support growth. This may include linkages to London and radial routes to better connect the wider South East. In addition, considering the impacts of major infrastructure proposals such as airport expansion and the Crossrail extension; and

- Improve understanding and dialogue with evolving infrastructure delivery and management regimes, i.e. NHS services, adult education, library services etc.

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INFORMATION CAVEATS

COST CAVEATS

AECOM costing advice is provided within this document and should be qualified as high level estimates given a lack of detailed scheme information. These cost caveats apply to the following topics within this report:

- Transport Projects (where SCC / HE / Network Rail and others have not provided cost estimates)
- Healthcare Projects and Social Care Accommodation
- Community, Library and Youth Spaces
- Open Space Provision
- Adult Education
- Children's Playgrounds
- Indoor and Outdoor Sports facilities
- Electricity Connections
- Gas Connections
- Potable, Waste and Surface Water Infrastructure
- Communications
- Waste Facilities

The following caveats apply to all costing provided by AECOM:

- The information on which the cost estimates are based is very limited at this stage. As such, all of the costs are to be treated as "indicative" of the type of works stated rather than a specific estimate of the actual works.
- The works are assumed to relate to level greenfield sites with good access and no abnormal restrictions in respect of working hours and the like.
- AECOM have excluded all land purchase, demolition and site preparation that may be required.
- In respect of ground conditions, AECOM have excluded the impact of encountering archaeological remains, contamination, high water table level, major "soft spots" and underground obstructions. It also excludes encountering and diverting existing utilities and drainage.
- As AECOM do not have sufficient details of the individual sites that will be developed, we have excluded any allowances for external works i.e. all works outside of the building footplate.
- The costs are all based on a notional project that starts and completes in June 2017 and therefore all inflation costs are excluded.
- AECOM have excluded professional fees and survey works and all other consultants fees and planning / building regulation costs that would apply to the works.
- AECOM have excluded all phasing and temporary works that could apply to the works.
- AECOM have excluded all maintenance and operational costs.
- AECOM have excluded all loose fixtures, fittings and equipment and in particular specialist equipment.
- AECOM have excluded all VAT.

The following infrastructure topic costs are based primarily on the following sources although this list is not comprehensive:

- Highways - SCC / Local Authority IDP's
- Motorways - Highways England / SCC / Local Authority IDP's
- Rail - Network Rail / SCC / Local Authority IDP's
- Public transport and other transport - SCC / Local Authority IDP's
- Education - SCC
- BDUK Broadband - SCC
- Electricity - UKPN / SCC / Local Authority IDP's
- Flood Defences - SCC / Environment Agency

DATA CAVEATS

This study aims to present a vast amount of information in as simple and digestible format as possible. AECOM have received data from a number of stakeholders and partners, and this section sets out key caveats that have been supplied alongside that data.

Refer to Chapter 1 Parameters of the Study for detailed caveats on housing and employment data, housing forecasts and approach to infrastructure costs and funding.

The information presented in Chapter 3, as it relates to the economic position of Surrey is based on economic forecasting carried out prior to the UK referendum on the European Union. This economic analysis and the information presented in the Surrey Infrastructure Study does not take into account any potential effect of Brexit.

ELMBRIDGE

Elmbridge Borough Council's housing figures at the time of collection were based on outstanding permission, LAA figures and potential strategic development sites. This reflects the preferred approach set out in the December 2016 Strategic Options Consultation, with the Council recognising that the figure may change following further evidence collection and consultation. This contrasts with other local authorities, which have used housing numbers from their Strategic Housing Market Area reports.

EPSOM & EWELL

Epsom & Ewell SHMA (in conjunction with Elmbridge, Mole Valley and the Royal Borough of Kingston) forecasts an increase in housing demand. It projects an additional 8,500 new homes for the Borough. The Surrey Infrastructure Study incorporates this projection, however, the infrastructure deficit (for Epsom & Ewell) is based on the infrastructure required to support our previous housing target, which is substantially smaller than the objectively assessed need identified in the SHMA – at about 181 units per annum extrapolated forward. In comparison, the current SHMA figure equates to at least 418 units per annum – so at least double the previous target. The identified infrastructure deficit could potentially be half of the actual total.

The nature and scale of infrastructure required to support this scale of growth has yet to be determined. As stated, it could be twice, if not more, what it is in the Surrey infrastructure Study. A factor that merits consideration in this matter is that our neighbours in the London Borough of Sutton are currently planning on high growth – mostly in the absence of any infrastructure uplift. Their plan is, to some extent, reliant upon shared infrastructure – available across the border here in Surrey. Growth in Sutton may have an adverse impact upon infrastructure demand in Epsom & Ewell.

Epsom & Ewell are in the process of developing a new Local Plan (which will use the OAN housing figure as a starting point). This will impact the scale and nature of new infrastructure needed, in which the scale of infrastructure deficit is likely to increase.

Kiln lane Link has been a much discussed piece of infrastructure in the borough for a number of years, in which Surrey County Council and Epson & Ewell Borough Council are still determining whether this scheme remains relevant. On that basis, it is likely that in the fall of 2017, Kiln Lane Link may not be as urgently pursued – this would have an impact on the infrastructure deficit. The obvious conclusion is that our deficit will go down – however, factoring in the higher numbers of housing, mentioned in the previous paragraphs, the infrastructure deficit would go back up.

Crossrail 2 will not impact the immediate Local Plan process, the prospect of this piece of infrastructure and the likelihood that it may also require supporting infrastructure (alongside the growth) to make it work, may need to be considered in the not too distant future.

GUILDFORD

The Surrey Infrastructure Study update assesses the period 2016 – 2031, whereas the emerging Guildford Borough Local Plan covers the period 2015/16 – 2033/34. This creates a discrepancy to what is being planned in Guildford and what the Infrastructure Study assesses. In total, the Local Plan is seeking to meet 12,426 homes over the plan period (654 homes over 19 years) versus 9,810 identified in the Surrey Infrastructure Study (654 over 15 years).

Whilst Guildford Borough Council's housing requirement is 12,426 homes, the total supply exceeds this figure (approximately 10%). This buffer ensures we are able to meet our housing target and provides the council with flexibility, should sites not deliver as expected.

The Surrey Infrastructure Study assumes an annualised rate of delivery (654 homes each year), however due to the timing of the delivery of necessary infrastructure, which is only expected towards the latter part of the plan period, the delivery of new homes is also likely to be phased with a greater proportion being delivered later in the plan period.

MOLE VALLEY

At the time the base data for the study was being collected, the housing forecast for Mole Valley was based on the figure adopted in the Mole Valley Core Strategy 2009. Since then work on a review of the Local Plan, including preparation of a Strategic Housing Market Assessment, indicates that the housing forecast for Mole Valley is likely to be significantly higher. As such, Mole Valley's infrastructure needs are likely to be commensurately greater than as set out in this particular 'snap shot' in time.

RUNNYMEDE

As part of Runnymede Borough Council's ongoing cooperation with other Local Planning Authorities, including the County Council, data has been provided from past and emerging housing trajectories illustrating the anticipated deliverable and developable sites that may come forward in the current emerging plan period.

Like all trajectories, accuracy reduces over the longer period and while delivery in the early part of the plan period (the next five years) is considered to be relatively accurate, based as it is mostly on sites with planning permission that have been judged deliverable through past published Strategic Housing Land Availability Assessments, the later periods (years 6-10 and 11-15) are less likely to be accurate. Many of the sites identified in these periods have yet to be subject to the objective assessment of the planning process and some are reliant on changes in planning policy that may or may not be introduced as part of the emerging Local Plan in Runnymede. It should be noted that the Council has not yet decided upon the housing allocations that will be made to help meet identified needs.

The Surrey Infrastructure Plan, for which this data has been provided, is seeking to provide a county-wide view of infrastructure needed to support growth set out in current and emerging Local Plans. As the emergence of new Local Plans are on radically different timetable across the County this will lead to apparently anomalous differences in anticipated growth and consequential supporting infrastructure need. The period of assessment, up to 2031, will, of course, ensure that every Local Planning Authority in Surrey will have replaced their current Local Plan with newer, up to date documents. Consequently any housing or other trajectory extending into approximately 2020 or beyond will not reflect the inevitable change in local policy and the implications that may have on housing delivery.

For this reason, while Runnymede Borough Council has provided a Housing trajectory of sites known to the LPA at this time it is not recommended that any future assessment of infrastructure need is based on this trajectory and instead greater infrastructure need should be modelled to account for the likelihood that Runnymede, as well as all other Local Authorities, is likely to have to take steps in emerging Local Plans that will take effect before 2020 to significantly increase the supply of housing wherever possible.

It is therefore recommended for Runnymede, a more unconstrained household growth projection is used to model infrastructure need from 2020 onwards. This may be sourced from either recently completed SHMA documents or from the published DCLG household projections. While it is likely that full objectively assessed housing need may not be met within the individual boroughs and districts of Surrey, due to the significant constraints of flooding, ecology and green belt, amongst others, this 'maximum' growth projection will enable infrastructure need to be modelled to ensure infrastructure provision should not be considered a constraint in itself. As emerging Local Plans reach a stage of maturity that weight can be given to them, the actual infrastructure need, through local Infrastructure Delivery Plans, can be assessed in the appropriate detail to ensure it match the actual growth forecast at that time.

TANDRIDGE

Tandridge recognises that this document presents a snapshot in time. Since then Tandridge has updated many evidence bases and these are available via the Tandridge web site.

A new garden village is proposed in Tandridge, in which consultation closed in October 2017 to assist in identifying potential locations. The garden village will look to provide new housing and enable delivery of infrastructure to support the developmet and Tandridge as a whole. Infrastructure requirements will need to be further assessed once the location has been decided.

Oxted Regeneration has not been included in this report, but will need to be considered in fututre growth and infrastructure implications. It is a plan to revitalise the town-centre through the redevelopment and removal of the existing gasholders for 77 new homes.

WAVERLEY

Waverley Borough Council recognises that the Surrey Infrastructure Study is a snapshot in time, and therefore may quickly become out of date. For more up to date information, interested parties should look at the infrastructure pages of Waverley's website. Our Local Plan has been prepared on the basis of meeting a housing need of 519dpa, and includes a trajectory to match the delivery requirements. We have recently had the Examination hearings for our Local Plan during which the Inspector's preliminary findings raised this requirement to 590dpa.

Waverley Borough Council have identified that the completions look low based on local authority analysis. AECOM analysis have utilitsed data taken from the DCLG. Waverley Borough Council have identified 1,218 completions for the 6 year period of 2010/11 to 2015/16.

The housing figures are based on Waverley Local Plan housing requirement for the years 2016 to 2031. Although it is caveated in the report that the position may have changed, as a consequence of recent Local Plan examination hearings, Waverley have consulted on the Main Modifications in September 2017, with a proposed increase in the housing requirement from 519 to 590 dpa.

SPELTHORNE

Spelthorne Borough Council's housing figures at the time they were collected pre-dates current evidence being prepared, including our Strategic Land Availability Assessment, which will support the work on a new Local Plan to replace Spelthorne's Core Strategy, adopted in 2009. Past trajectories for housing delivery do not take account of future allocations during the plan period that will aim to exceed past trends significantly, subject to consultation and adoption of the new Local Plan, in order to meet our housing need where possible. As such, assessment of the Borough's infrastructure needs should be based on the likelihood that the supply of housing is anticipated to increase.

As a snap-shot in time, the Study does not take full account of the employment growth proposed by Heathrow Airport within our boundary now that specific sites for airport related development such as offices, hotels and logistics have been identified in the Borough as options within Heathrow's consultation. It is noted that the strategic transport projects include southern rail access but other projects will need to be assessed once there is more certainty over the airport expansion.